

Distribution Revenue Requirement (\$ in Millions)

Line	Description	Distribution	Reference
	Col. A	Col. B	Col. C
1	Operations & Maintenance Expense	\$ 10.475	Exh. CLV-2, Page 3 line 11, Col. B
2	Depreciation & Amortization	3.940	Exh. CLV-2, Page 4 line 52, Col. H
3	Taxes Other than Income Taxes	1.325	Exh. CLV-2, Page 5 line 3, Col. G
4	Allowance for Income Taxes	1.643	Exh. CLV-2, Page 6 line 13, Col. B
5	Return on Rate Base	<u>4.248</u>	Exh. CLV-2, Page 7 line 23, Col. G
6	Distribution Revenue Requirement	\$ 21.631	Sum of lines 1 thru 5
7	Operating Revenues	(21.071)	Exh. CLV-2, Page 8 line 24, Col. G
8	Revenue Deficiency (Surplus)	\$ 0.560	line 6 + line 7
If transfers not approved deficiency increases by these amounts:			
9	Revenue Working Capital Transferred to Basic Service	1.192	Exhibit CLV-5 Page 1 line 17, Col D
10	Bad Debts recovered through Basic Service	0.316	Exhibit CLV-3 Page 2 line 8, Col. C
11	Total Filing Deficiency	\$ 2.068	line 8 + line 9 + line 10

Operations & Maintenance Expense (\$ in Millions)

Line	A/C	Description	Per Books	Less	Less	Less	Distribution	Reference
			Total	Transmission	Transition, Energy Supply, DSM, PAM	Other		
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H
1	555	Purchased Power	\$ 74.018	\$ -	\$ 74.018	\$ -	\$ -	
2	556	System Control & Load Dispatching	0.033	-	-	-	0.033	
3	557	Other Expenses	15.613	-	15.613	-	0.000	A/C 557710
4		Total Power Supply Expense	\$ 89.664	\$ -	\$ 89.631	\$ -	0.033	Exhibit CAM-CLV-8 line 4
5	560	Operation Supervision and Engineering	0.076	0.076	-	-	-	
6	561	Load Dispatching	0.506	0.506	-	-	-	
7	562	Station Expense	0.015	0.015	-	-	-	
8	563	Overhead Lines Expenses	0.003	0.003	-	-	-	
9	564	Underground Lines Expenses	0.003	0.003	-	-	-	
10	565	Transmission of Electricity by Others	28.419	27.861	0.558	-	-	
11	566	Miscellaneous Transmission Expenses	0.010	0.010	-	-	-	
12	567	Rents	-	-	-	-	-	
13	568	Maintenance Supervision and Engineering	0.012	0.012	-	-	-	
14	569	Maintenance of Structures	-	-	-	-	-	
15	570	Maintenance of Station Equipment	0.006	0.006	-	-	-	
16	571	Maintenance of Overhead Lines	(0.000)	(0.000)	-	-	-	
17	572	Maintenance of Underground Lines	0.003	0.003	-	-	-	
18	573	Maintenance of Misc. Transmission Plant	-	-	-	-	-	
19		Transmission	29.052	28.494	0.558	-	-	Exhibit CAM-CLV-8 line 19, Note C
20	580	Operation, Superv & Engineering	0.354	0.071	-	-	0.284	Note B - allocator = 19.931%
21	581	Load Dispatching	0.160	0.064	-	-	0.096	Note B - allocator = 39.979%
22	582	Station Expenses	0.822	0.376	-	-	0.446	Note B - allocator = 45.743%
23	583	Overhead Line Exp	0.205	-	-	-	0.205	
24	584	Underground Line	0.354	0.172	-	-	0.182	Note B - allocator = 48.603%
25	585	Street Lighting & Signal System	0.008	-	-	-	0.008	
26	586	Meter Expenses	0.390	-	-	-	0.390	
27	587	Customer Installation	0.055	-	-	-	0.055	
28	588	Misc. Distribution	0.346	0.143	-	0.001	0.202	Note B - allocator = 41.361%
29	589	Rents	0.508	0.210	-	-	0.298	Note B - allocator = 41.361%
30	590	Maint Supervision	0.233	0.106	-	-	0.127	Note B - allocator = 45.317%
31	591	Maintenance of Structures	0.082	0.078	-	-	0.004	Note B - allocator = 95.232%
32	592	Maint of Station	0.250	0.114	-	-	0.136	Note B - allocator = 45.743%
33	593	Maint of Overhead	0.253	-	-	-	0.253	
34	594	Maint of Underground Lines	0.298	0.145	-	-	0.153	Note B - allocator = 48.603%
35	595	Maint of Line Transformers	-	-	-	-	-	
36	596	Maint of Street Lights & signal	0.001	-	-	-	0.001	
37	597	Maint of Meters	-	-	-	-	-	
38	598	Maint of Misc Distribution	0.070	0.029	-	-	0.041	Note B - allocator = 41.361%
39		Distribution	4.389	1.507	-	0.001	2.881	Exhibit CAM-CLV-8 line 39
40	901	Supervision	0.084	-	-	-	0.084	
41	902	Meter Reading Exp	0.334	-	-	-	0.334	
42	903	Customer Records	1.297	-	-	-	1.297	
43	904	Uncollectable Accounts	0.094	-	-	-	0.094	
44	905	Misc. Customer Accounts	0.068	-	-	-	0.068	
45		Customer Accounts	1.877	-	-	-	1.877	Exhibit CAM-CLV-8 line 45
46	907	Supervision	-	-	-	-	-	
47	908	Customer Assistance	4.188	-	4.188	-	-	Collected in DSM
48	909	Informational & Instructional	0.012	-	-	-	0.012	
49	910	Misc. Customer Service	0.223	-	-	0.042	0.181	Dues/Memberships
50		Customer Service	4.423	-	4.188	0.042	0.193	Exhibit CAM-CLV-8 line 50
51	911	Supervision	0.043	-	-	-	0.043	
52	912	Demonstration and Selling	0.001	-	-	-	0.001	
53	913	Advertising	-	-	-	-	-	
54	916	Misc. Sales Expense	0.026	-	-	-	0.026	
55		Sales	0.070	-	-	-	0.070	Exhibit CAM-CLV-8 line 55
56	920	Admin & General Salaries	1.612	0.295	-	0.000	1.317	Note A - allocator = 18.3230% & Dues/Memberships
57	921	Office Supplies & Expenses	0.632	0.116	-	0.000	0.516	Note A - allocator = 18.3230% & Dues/Memberships
58	922	Admin Expenses Transferred	(0.317)	(0.058)	-	-	(0.259)	Note A - allocator = 18.3230%
59	923	Outside Services	0.316	0.058	-	-	0.258	Note A - allocator = 18.3230%
60	924	Property Insurance	0.035	0.018	-	-	0.017	Note A - allocator = 51.1886%
61	925	Injuries & Damage	0.292	0.054	-	-	0.239	Note A - allocator = 18.3230%
62	926	Employee Benefits	3.492	0.640	1.217	-	1.635	Transmission Allocation @ 18.3230% & 926128, 129 & adj
63	928	Regulatory Commission Expense	0.485	0.166	-	-	0.319	Note A - allocator specific assignment of FERC Assessments
64	930	General Ad Expense	0.107	0.006	-	0.007	0.094	Trans less gen adv Allocation @ 18.3230% & Dues/Memberships
65	931	Rents	0.339	0.062	-	0.000	0.277	Note A - allocator = 18.3230% & Dues/Memberships
66	935	Maint of General	-	-	-	-	-	
67		Admin	6.995	1.357	1.217	0.007	4.413	Exhibit CAM-CLV-8 line 67
68		Total	136.470	\$ 31.358	\$ 95.595	\$ 0.050	\$ 9.468	line 4 + 19 + 39 + 45 + 50 + 55 + 67

Note A Transmission is allocated using the Plant Allocator, the Wages & Salaries allocator, or specific assignment. The Allocators are shown on Exh CAM-CLV-9, Page 1, lines 11 and 1 Allocation is per the ISO New England Tariff Schedule 21, Original Sheet 2064-5, paragraph The transmission allocator from that exhibit is shown in the reference column and are described on tariff sheets 2051 and 205

Note B Transmission is allocated the 13.8KV portion of distribution. The amount is calculated by multiplying the total balance in Col.C by the allocators on Exh CAM-CLV-9, Page 4, Lines 1 thru The transmission allocator from that exhibit is shown in the reference column Allocation is per the ISO New England Tariff Schedule 21, Original Sheet 2064, paragraph 1

Note C Allocation is per the ISO New England Tariff Schedule 21, Original Sheet 2064, paragraph C

Operations & Maintenance Expense Adjustments (\$ in Millions)

Line	Description	Amount	Reference
	Col. A	Col. B	Col. C
1	Test Year Distribution O & M	\$ 9.468	Page 2 line 69, Col. G
2	Proforma O & M Adjustments:		
3	Labor	0.274	Exhibit CLV-3 Page 1 line 14, Col D
4	Bad Debts	0.113	Exhibit CLV-3 Page 2 line 9, Col. C
5	Rate Case Expense	0.019	Exhibit CLV-3 Page 3 line 9, Col. B
6	Insurance	0.013	Exhibit CLV-3 Page 4 line 10, Col. G
7	Inflation	0.154	Exhibit CLV-3 Page 5 line 9, Amount
8	Service Guarantee Fees	(0.000)	per workpaper
9	Security, Safety and Quality Improvement Program	0.435	per workpaper
10			
11	Rate Year O & M eligible for recovery	\$ 10.475	Sum of Lines 1 through 10

Depreciation & Amortization Expense (\$ in Millions)

			Per Books	Less		Test Year	Proposed	Rate		Original
Line #	A/C	Description	Asset	Transmission	Distribution	Depreciation	Depreciation	Year		Cost
			Balance	Balance	Balance	Rate	Rate			Deprec Sch
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Reference	Reference
					(Col.C - Col.D)			(Col.G * Col.E)		Col. J
1		Intangible Plant								
2		Intangible Transmission								
3		Intangible Software 5 year	0.612	0.112	0.500	20.00%	16.19%	0.081	Note B	
4		Intangible Software 10 year	1.839	0.337	1.502	20.00%	9.88%	0.148	Note B	
5		Intangible Software 15 year	0.233	0.043	0.190	20.00%	Fully Depr		Note B	
6	303	Intangible Plant/Software Amortization	2.684	0.492	2.192	0.600	0.261	0.229	FF1, p.208, 1.1, col.b	
7										
8		Transmission	\$ 33.901	\$ 33.901	\$ -	NA	NA		FF1, p.208, 1.7, col.b	
9										
10		Distribution Plant								
11	360	Land & Land Rights	\$ 0.238	\$ 0.114	\$ 0.124			\$ -	Note A	
12	361	Structures & Improvements	2.305	2.195	0.110	2.68%	1.19%	0.001	Note A	
13	362	Station Equipment	36.277	16.594	19.683	2.85%	2.09%	0.411	Note A	
14	363	Storage Battery Equipment	-		-			-		
15	364	Poles, Towers & Fixtures	2.795		2.795	4.24%	2.90%	0.081		
16	365	OH Conductors & Devices	5.850		5.850	4.21%	2.74%	0.160		
17	366	UG Conduit	19.963	8.504	11.459	2.27%	2.74%	0.314	Note A	
18	367	UG Conductors & Devices	47.994	24.525	23.469	2.98%	3.57%	0.838	Note A	
19	368	Line Transformers	4.107		4.107	3.08%	3.38%	0.139		
20	369.1	Services - Overhead	1.770		1.770	6.38%	2.46%	0.044	Note C	Per Deprec Sch 1.861
21	369.2	Services - Underground	4.259		4.259	2.71%	2.61%	0.111	Note C	4.478
22	370	Meters	3.505		3.505	4.14%	6.54%	0.229		
23	373	Street Lighting	0.838		0.838	5.57%	7.34%	0.061	Adjustment \$2.960 to reflect '05 sale	
24		Total Dist Plant	\$ 129.901	\$ 51.933	\$ 77.968		3.07%	\$ 2.390	FF1, p.208, 1.8, col.b	
25										
26		GENERAL PLANT								
27	389	Land & Land Rights	0.291	0.053	0.238				Note B	Per Deprec Sch
28	390	Structures & Improvements - Major	2.363	0.433	1.930	1.91%	1.76%	0.034	Note B & Note C	2.569
29		Structures & Improvements - Minor	0.041	0.007	0.033	1.91%	2.60%	0.001	Note B & Note C	0.044
30	390.1	Structures & Improvements - Leaseholds	0.005	0.001	0.004		0.90%	0.000	Note B & Note C	0.005
31	391	Office Furniture & Equipment - Furn	0.308	0.056	0.252	3.64%	6.89%	0.017	Note B & Note C	0.295
32		Office Furniture & Equipment - Comp	0.278	0.051	0.227	3.64%	21.91%	0.050	Note B & Note C	0.266
33	392	Transportation Equipment	-	-	-			-	Note B	
34	393	Stores Equipment	0.018	0.003	0.015	4.53%	5.01%	0.001	Note B	
35	394	Tools, Shop & Garage Equipment	0.016	0.003	0.013	3.73%	512.13%	0.065	Note B	
36	395	Laboratory Equipment	-	-	-	3.08%		-	Note B	
37	396	Power Operated Equipment	-	-	-			-	Note B	
38	397	Communication Equipment	0.007	0.001	0.006	3.75%	11.77%	0.001	Note B	
39	398	Miscellaneous Equipment	0.031	0.006	0.026	3.65%	28.83%	0.007	Note B	
40	399	Other Tangible Property	-	-	-			-	Note B	
41		TOTAL GENERAL	\$ 3.358	\$ 0.615	\$ 2.743	4.03%	6.19%	\$ 0.176	FF1, p.208, 1.9, col.b	
42										
43		TOTAL Depreciation	\$ 169.845	\$ 86.941	\$ 82.904			\$ 2.796	Line 6 + Line 8 + Line 24 + Line 41	
44										
45		Amortization								
46	182									
47	182									
48	186	Goodwill				40 years		0.489	A/C 407320 Exh. CLV-11, P.1	
49	186	Cost to Achieve non-deductible amort				10 years		0.011	A/C 407330 Exh. CLV-11, P.1	
50	186	Cost to Achieve deductible amort				10 years		0.644	A/C 407340 Exh. CLV-11, P.1	
51		Subtotal: Amortization						\$ 1.144	Sum of Lines 46 through 50	
52		Recoverable Depreciation and Amortiza	\$ 169.845	\$ 86.941	\$ 82.904			\$ 3.940	Line 43 + Line 51	
53										
54		<u>Test Year Depreciation and Amortization</u>								
55	404060	Amortization - Intangible Plant						0.433	Exh CLV-11, P.1	
56	403160	Depreciation - Transmission						0.866	Exh CLV-11, P.1	
57	403150	Depreciation - Distribution						4.068	Exh CLV-11, P.1	
58	403180	Depreciation - General						0.088	Exh CLV-11, P.1	
59	403140	Depreciation - General : PCs						-	Exh CLV-11, P.1	
60	404020	Amortization - General Leaseholds						-	Exh CLV-11, P.1	
61	407	Amortization - Goodwill, CTA and Other						1.144	Exh CLV-11, P.1	
62		Subtotal Plant Depreciation and Amortization test year						\$ 6.599	Sum of Lines 55 through 61	

Note A Transmission is allocated the 13.8KV portion of distrbtution. See Exh CAM-CLV-9, Page 4, Lines 1 thru 13
Allocation is per the ISO New England Tariff Schedule 21, Original Sheet 2058, paragraphs A.1.b

Note B The transmission allocation of Intangibe and General plant is made using the Wages and Salaries Allocator shown on Exh CAM-CLV-9, Page 1, line 16 being 18.323%
This allocator is multiplied by the asset in Column C to arrive at the transmission portion in Column D
Allocation is per the ISO New England Tariff Schedule 21, Original Sheet 2059, paragraphs A.1.c. and sheets 2051-2052

Note C Accounts 369,390 & 391 are not segregated in the FORM 1 accounts and the original costs from the depreciation study in Col. J have been used to allocate the amounts

Taxes Other Than Income Taxes (\$ in Millions)

Line	Acct	Description	Per Books	Less	Less	Plus	Form 1	Reference
			Balance	Transmission	Transition, Energy Supply, DSM, PAM	Rate Year	Adjustment	
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H
		Payroll Taxes						
1		Payroll Taxes	\$ 0.404	0.076		0.011	\$ 0.340	Line 13
		Line 3 Col. D Line 1 * 18.3230%(Line 3 Cols. C + F)						Transmission Allocation @ 18.3230%
		Col F = Line 1 Col. C * Labor Increase Exh CLV-3, Page 1, Line 15 being 5.644% * Payroll Tax Allocator Exh CLV-9, Page 1, Line 17 being 50.246%						ISO New England Tariff, Sheet 2064, F
		Property Taxes						
2	408	Property Taxes	\$ 1.805	0.924		0.105	\$ 0.986	Line 5
		Line 8 Col. D Line 2 * 51.1886%						Transmission Allocation @ 51.1886%
		Line 8 Col. F Exhibit CAM-CLV-4 line 13						ISO New England Tariff, Sheet 2064, E
3		Taxes Other Than Income Taxes	\$ 2.210	\$ 1.000	\$ -	\$ 0.116	\$ 1.325	Line 1 + Line 2
		Test year detail						
4	408380	Other Municipal Property Tax	1.805					Exh. CLV-11, Page 1
5		Total Utility Property Taxes (excludes non-utility)	1.805341					
6	408000	Allocated Payroll Tax expenses	0.070					Exh. CLV-11, Page 1
7	408500	Capitalization Transferred Credits						Exh. CLV-11, Page 1
8	408570	Reallocation Offset	0.050					Exh. CLV-11, Page 1
9	408880	Payroll Taxes - Transferred Credit	(0.088)					Exh. CLV-11, Page 1
10	408902	Inter Co reclass Payroll Taxes	0.062					Exh. CLV-11, Page 1
11	408910	Payroll Tax Transfer to Service Co						Exh. CLV-11, Page 1
12	408920	Payroll Taxes Billed from Service Co	0.312					Exh. CLV-11, Page 1
13		Total Payroll Tax	0.404					Sum of Line 6 through Line 12
14		Total Account 408 "Utility ther Taxes" (excludes non-utility)	2.210					Line 5 + Line 13
		Reconciliation to FORM 1						
15		FERC Form 1 Annual 2004 P.114, Line 14	2.102					FERC Form 1s
16		Less FERC Form 1 second Quarter 2004 P.114, Line 14	(1.016)					FERC Form 1s
17		Plus FERC Form 1 second Quarter 2005 P.114, Line 14	1.123					FERC Form 1s
18		Total Account "Other Taxes" FORM 1 perof July 2004 - June 2	2.210					Sum of Line 15 through Line 17

Allowance for Income Taxes (\$ in Millions)

Line	Description	Amount	Reference
	Col. A	Col. B	Col. C
1	Equity Return Requirement on Distribution Rate Base	\$ 2.512	Page 7, Line 22, Col. G
2	Goodwill Amortization	0.489	Page 4, Line 48, Col. H
3	Cost to Achieve Amortization - Non-Deductible	0.011	Page 4, Line 49, Col. H
4	Depreciation on Basis Differences	0.080	per workpaper
5	ARAM excess reserves amortization	(0.186)	per workpaper
6	Amortization of Investment Tax Credits	(0.057)	A/C 406, CLV-11, P.1
7	Amortization of Investment Tax Credits - Transmission Allocation	0.029	- Line 6 * 51.1886%
8	Equity Return after Adjustments	\$ 2.878	Sum of Lines 1 through 7
9	Tax Factor (T / (1 - T))	0.6454	Line 24
10	Income taxes on return required	\$ 1.857	Line 8 * Line 9
11	ARAM Excess reserve amortization	(0.186)	Line 5
12	Net Amortization of Investment Tax Credits	(0.028)	Line 6 + Line 7
13	State & Federal income taxes	\$ 1.643	Sum of Lines 10 through 12
14			
15	Taxable Income	100.000%	
16	Massachusetts Corporate Franchise Tax	6.500%	
17	Taxable Income After Corporate Franchise Tax	93.500%	Line 15 - Line 16
18	Federal Tax Rate	35.000%	
19	Federal Corporate Income Tax	32.725%	Line 17 x Line 18
20	Massachusetts Corporate Franchise Tax	6.500%	Line 16
21	State and Federal Taxes (T)	39.225%	Line 19 + Line 20
22			
23	Net Income After Taxes on Income (1-T)	60.775%	1 - line 21
24	State and Federal Taxes / Net Income After Taxes on Income	0.6454	Line 21 / Line 23

Note A The transmission allocation of ITC is made using the Plant Allocator shown on Exh CLV-9, Page 1, line 11 being 51.2% Allocation is per the ISO New England Tariff Schedule 21, Original Sheet 2064, paragraph D & Sheet 2052

Return on Rate Base (\$ in Millions)

Line	Acct	Rate Base	Per Books Total	Less Transmission	Less Transition, Energy Supply, DSM, PAM	Less Other	Distribution	Reference
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H
1		Gross Utility Plant in Service	\$ 169.845	\$ 86.941	\$ -	\$ -	\$ 82.904	Page 4, Line 52, Cols. C, D, E
2								
3		Accum. Amortization - Intangible	0.877	0.161			0.717	FF1, p.208, 1.1, Col.C & Note B
4		Accum. Depreciation - Transmission	9.429	9.429			-	FF1, p.208, 1.7, Col.C
5		Accum. Depreciation - Distribution	46.603	18.390			28.212	FF1, p.208, 1.8, Col.C adjusted for streetlight sale & Note A
6		Accum. Depreciation - General - Other	0.012	0.002			0.010	FF1, p.208, 1.9, Col.C & Note B
7		Total Depreciation & Amortization	\$ 56.921	\$ 27.982	\$ -	\$ -	\$ 28.939	Sum Lines 3 through 6
8								
9		Net Plant	\$ 112.924	\$ 58.959	\$ -	\$ -	\$ 53.965	Sum Lines 1 + 7
10								
11		Working Capital				1.932	1.932	Exhibit CLV-5 Page 1 Line 10
12	154	Materials and Supplies	1.574	0.193			1.381	Trans 13.8 kv Allocator 39.15%, Note C
13								
14	252010	Construction/temp service advances	(0.452)				(0.452)	FF1, p.113, 1.56, Col c
15	253010	Uncashed Checks	-				-	FF1, p.269, 1.1 Col f
16	253310	Contributions In Aid of Construction	(0.036)				(0.036)	per General Ledger
17	190	Accumulated Deferred Income Taxes	4.046	0.652	2.830	0.107	0.457	Exhibit CLV-6 Line 9, Note D
18	282	Accumulated Deferred Income Taxes	(25.874)	(13.245)	-	-	(12.630)	Exhibit CLV-6 Line 13, Note D
19	283	Accumulated Deferred Income Taxes	(10.155)	(1.267)	(6.997)	(0.960)	(0.930)	Exhibit CLV-6 Line 20, Note D
20								
21		Rate Base					\$ 43.688	Sum of lines 9 through line 19
22		Equity at			5.75%	Line 21 x 5.75%	\$ 2.512	Exhibit CLV-2, Page 9, Col E, Lines 2 plus 3
23		Total Return at			9.72%	Line 21 x 9.72%	\$ 4.248	Exhibit CLV-2, Page 9, Col E, Line 4

Note A Transmission is allocated the 13.8KV portion of distribution. The Accumulated Depreciation amount is calculated on Exh CAM-CLV-9, Page 4, Line 30

Note B The transmission allocation of Intangibe and General plant is made using the Wages and Salaries Allocator shown on Exh CAM-CLV-9, Page 1, line 16 Allocation is per the ISO New England Tariff Schedule 21, Original Sheet 2059, paragraph A.1.e

Note C Allocation is per the ISO New England Tariff Schedule 21, Original Sheet 2060-61, paragraph A.1.j

Note D Allocation is per the ISO New England Tariff Schedule 21, Original Sheet 2059, paragraph A.1.f

Distribution Revenues (\$ in Millions)

Line	A/C	Description	Per Books	Less	Less	Less		
			Balance	Transmission	Transition, Energy Supply, DSM, PAM	Other	Distribution	Reference
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H
1		Sales of Electricity						
2	440	Residential Sales	\$ 25.480	\$ 4.053	\$ 13.670	\$ -	\$ 7.756	Exhibit CLV-7 line 25
3	442	Commercial and Industrial Sales	121.197	21.420	87.227	-	12.550	Exhibit CLV-7 line 48
4	444	Public Street and Highway Lighting	1.401	0.146	0.511	0.454	0.291	Exhibit CLV-7 line 58
5		TOTAL Sales to Ultimate Consumers	\$ 148.078	\$ 25.619	\$ 101.409	\$ 0.454	\$ 20.597	Sum of Lines 2 through 4
6	447	Sales for Resale	6.059	-	6.059	-	-	Exhibit CLV-7 line 60
7		TOTAL Sales of Electricity	\$ 154.138	\$ 25.619	\$ 107.468	\$ 0.454	\$ 20.597	Line 5 + Line 6
8	449.1	(Less) Provision for Rate Refunds	1.275	-	-	1.275	-	Exhibit CLV-7 line 61
9		TOTAL Revenues Net of Prov. for Refunds	\$ 152.863	\$ 25.619	\$ 107.468	\$ (0.821)	\$ 20.597	Line 7 - Line 8
10		<u>Other Operating Revenues</u>						
11	450	Forfeited Discounts	\$ 0.199	\$ -	\$ -	\$ -	\$ 0.199	Exhibit CLV-7 line 62
12	451	Miscellaneous Service Revenues	-	-	-	-	-	Exhibit CLV-7 line 86
13								
14	454	Rent from Electric Property	0.603	0.497	-	-	0.106	Exhibit CLV-7 line 98
15	456	Other Electric Revenues	7.471	4.621	2.741	-	0.110	Exhibit CLV-7 line 115
16		TOTAL Other Operating Revenues	\$ 8.273	\$ 5.118	\$ 2.741	\$ -	\$ 0.414	Sum of Lines 11 through 15
17		TOTAL Electric Operating Revenues	\$ 161.136	\$ 30.737	\$ 110.209	\$ (0.821)	\$ 21.011	Line 9 + Line 16
18		<u>Revenue Credits/Adjustments</u>						
19								
20	417	Miscellaneous Revenues	-	-	-	-	-	Exhibit CLV-7 line 6
21		Service Fees					0.060	per workpaper
22							-	
23		Total Revenue Credits/Adjustments					0.060	Sum of Lines 19 through 22
24		Distribution Revenues and Revenue Credit	\$ 161.136	\$ 30.737	\$ 110.209	\$ (0.821)	\$ 21.071	Line 17 + Line 23

Reconciliation to FERC FORM 1

			Less:	Add:	
			2nd Quarter	2nd Quarter	12 months
			ended 12/31/04	2005	ended 6/30/05
28	440	Residential Sales	\$ 24.373	\$ 12.055	\$ 13.162
29	442	Commercial and Industrial Sales	116.377	54.886	57.898
30	442	Commercial and Industrial Sales	2.095	1.058	0.771
31	444	Public Street and Highway Lighting	1.687	0.830	0.543
32		TOTAL SALES TO ULTIMATE CUSTOMERS	144.532	68.829	72.374
33	447	Sales for Resale	6.508	3.530	3.082
34		TOTAL SALES OF ELECTRICITY	151.041	72.359	75.456
35	449.1	(Less) Provision for Rate Refunds	1.230	(0.056)	(0.012)
36		TOTAL REVENUE NET OF PROVISION	149.810	72.415	75.468
37					-
38	450	Forfeited Discounts	0.195	0.088	0.092
39	451	Miscellaneous Service Revenues			-
40					-
41	454	Rent from Electric Property	0.613	0.319	0.309
42	456	Other Electric Revenues	7.264	2.307	2.514
43		TOTAL ELECTRIC OPER REVENUES	\$ 157.881	\$ 75.129	\$ 78.383
					\$ 161.136

COST OF CAPITAL (\$ in Millions)

Per book

Line	Class of Capital	Per Book Amount 6/30/2005	Percent of Capital*	Cost	Rate of Return	Reference
	Col. A	Col. B	Col. C	Col. D	Col. E	Col.F
1	Long Term Debt	\$ 24.966	50.00%	7.94%	3.97%	CLV-2 Page 10
2	Preferred & Preference Stock	-	0.00%	0.00%	0.00%	
3	Common Equity	<u>88.109</u>	<u>50.00%</u>	11.50%	<u>5.75%</u>	Line 12
4	Total	<u>\$ 113.075</u>	<u>100.00%</u>		<u>9.72%</u>	Sum of Lines 1 through 3

* Note: Equity ratio is high due to plans to merge utilities. DTE 50% / 50% ratio used

	A/C #	TOTAL COMMON EQUITY	Balance @ 6/30/2005	Reference
5	201	Common Stock	\$ 8.665	FF1, P. 112, line 2, Col. C
6	207	Premium	54.132	FF1, P. 112, line 6, Col. C
7	216	Retained Earnings	25.312	FF1, P. 112, line 11 + line 12, Col. C
8	438	Common Stock Dividends	-	
9		TY Per Book Common Equity	<u>\$ 88.109</u>	Sum L. 5 thru 8
10		Post Test Year Activity:		
11		Special Dividend	<u>\$ -</u>	
12		Total Common Equity	<u>\$ 88.109</u>	L. 9 + L. 11

Cost of Long Term Debt (\$ in Millions)

Line	Face Amount A/C #	Series	Rate	Date Issued	Maturity Date	Principal Amount	Carrying Value	Annual Interest & Amort. Expense	Embedded Cost
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I
1	224308	Senior Note	7.620%	11/24/99	11/01/06	\$ 20.000	\$ 19.972	\$ 1.545	7.74%
2	224310	Series H	8.700%	03/01/92	03/01/07	5.000	\$ 4.994	0.438	8.78%
3		Total Long Term Debt				<u>\$ 25.000</u>	<u>\$ 24.966</u>	<u>\$ 1.984</u>	7.94%

		Face Amount	Unamortized Balance				Carrying Value
	Series	Outstanding	Premium or (Discount)	Issue Expense	Call Expense		
7	224308	Senior Note	\$ 20.000	\$ -	\$ (0.028)	\$ -	\$ 19.972
8	224310	Series H	5.000	-	(0.006)	-	4.994
9	Total	<u>\$ 25.000</u>	<u>\$ -</u>	<u>\$ (0.034)</u>	<u>\$ -</u>		<u>\$ 24.966</u>

		Total Interest & Issue Costs		
	Series	Total Amortization Expense	Total Annual Interest	Amortization & Interest
14	Senior Note	\$ 0.021	\$ 1.524	\$ 1.545
15	Series H	\$ 0.003	\$ 0.435	\$ 0.438
16	Total	<u>\$ 0.025</u>	<u>\$ 1.959</u>	<u>\$ 1.984</u>

17			Premium or (Discount)			Issue Expenses			Call Premium		
18			Original	Unamortized		Original	Unamortized			Unamort.	
19			Prem. or	Balance at	Annual	Issue	Balance	Annual	Original	Balance at	Annual
20		Rate	(Discount)	6/30/2005	Amortization	Expenses	6/30/2005	Amortization	Premium	6/30/2005	Amort
21	181020	Senior Note	\$ -	\$ -	\$ -	\$ 0.149	\$ 0.028	0.021	\$ -	\$ -	\$ -
22	181060	Series H	-	-	-	0.049	0.006	0.003	-	-	-
23		Total	\$ -	\$ -	\$ -	\$ 0.199	\$ 0.034	\$ 0.025	\$ -	\$ -	\$ -

Note A Balances for the indicated accounts can be found on CLV-10

Distribution Labor Increases (\$ in Millions)

Line	Description	Union	Non-Union	Total	Reference
	Col A	Col B	Col C	Col D	Col E
1	Total Test Year Distribution Payroll Costs	\$ 2.168	\$ 2.678	\$ 4.846	Exhibit CLV-9, Page 3 Line 40 & 41
2	<u>Annualized Test Year Wage Increases</u>				
3	Effective Date	05/29/05	05/05/05		Per Contract
4	Percent Increase	3.00%	3.00%		Per Contract
5	Days from Jul 1 to next effective date	319	307		Line 10 - July 1, 2005
6	Increase to Annualize	\$ 0.057	\$ 0.068	\$ 0.124	Line 1 * Line 4 * Line 5 / 365 days
7	Annualized Test Year Base Wages	\$ 2.225	\$ 2.746	\$ 4.971	Line 1 + Line 6
8	<u>Post Test Year Wage Increases</u>				
9	General Wage Increase				
10	Effective Date	05/16/06	05/04/06		Per Contract
11	Percent Increase	3.00%	3.00%		Per Contract
12	Wage Increase	\$ 0.067	\$ 0.082	\$ 0.149	Line 7 * Line 11
13	Rate Case Base Wage Level	\$ 2.292	\$ 2.828	\$ 5.120	Line 7 + Line 12
14	Total Payroll Adjustment	\$ 0.124	\$ 0.150	\$ 0.274	Line 13 - Line 1
15	Payroll Percentage Adjustment			5.644%	Line 14 / Line 1

Bad Debt Adjustment (\$ in Millions)

Line	Year	Retail Revenues	Amount	Experience Rate	Reference (Col. B)
	Col. A	Col. B	Col. C	Col. D	Col. E
1	2003	\$ 130.596	\$ 0.602	0.4611%	per workpaper
2	2004	146.799	0.388	0.2643%	per workpaper
3	2005	148.078	0.508	<u>0.3431%</u>	Exhibit CLV-2 Page 8 line 5
4	Average rate	\$ 141.824	\$ 0.499	<u>0.3521%</u>	Average of lines 1 - 3
5	Rate Year	\$ 148.638	\$ 0.523	0.3521%	Col C = Col B * Col D
6	Less: Test Year Bad Debt Expense		0.094		Exhibit CLV-2, page 2, line 43, Col. G
7	Bad Debt Adjustment		\$ 0.429		Line 5 - Line 6
8	Less Bad Debts for Basic Service	\$ 89.694	\$ 0.316	0.3521%	Exh CLV-7 Page 3 line 117, Col. E
9	Net Bad Debt Adjustment		\$ 0.113		Line 7 - Line 8
Note					
Rate Year Revenues					
10	Test year Revenues	148.078			Line 3 above
11	Rate Deficiency	0.560			Exh. CLV-2, Page 1, Line 8
12	Rate Year Revenues	\$ 148.638			Lines 10 plus 11

Rate Case Expense Adjustment (\$ in millions)

Line	Description	Amount	Reference
	Col. A	Col. B	Col. C
1	Estimated Costs:		
2	Ratc Case Filing/Legal	\$ 2.400	
3	PBR Filing/Legal	0.920	
4	Total Estimated Costs	\$ 3.320	Sum L. 2 thru 3
5	NSTAR Labor Allocator	2.911%	
6	Allocated Estimated Rate Case Costs	\$ 0.097	line 4 * line 5
7	Projected Annual Cost	\$ 0.019	line 6 / line 20
8	Actual Rate Case Expense in Test Year	-	
9	Proforma Adjustment	\$ 0.019	line 7 - line 8

10	Calculation of Period Between Cases		
11	D.P.U./D.T.E.		# of Days
12	Rate Case	Date	Between
13	Docket #	Filed	Cases
14	89-109	May 17, 1989	
15	92-250	November 16, 1992	1,279
16	97-111	November 19, 1997	1,829
17	Current Filing	November 1, 2005	2,904
18	Average Days between last 3 rate cases (Lines 15 to 17)		2,004
19	Years (Line 18 / 365)		5.49
20	Years - Rounded		5

Insurance Adjustment (\$ in Millions)

Line	A/C	Description	Per Books	Less	Less	Plus	Less	Distribution	Reference
			Balance	Transmission	Transition, Energy Supply, DSM, PAM	Rate Year	Transmission		
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I
				(Note A)					
1	924	Subtotal	\$ 0.035	0.018	\$ -	\$ 0.003	(0.001)	\$ 0.019	Note B & C
		Injuries & Damages							
2	925010	General Liability Claims	\$ (0.004)	\$ (0.001)		\$ (0.004)	\$ 0.001	\$ (0.006)	Note B & C
3	925030	Motor Vehicle							Note B & C
4	925050	Excess Liability	0.084	0.015		0.014	(0.003)	0.080	Note B & C
5	925060	Directors and Officers	0.022	0.004		0.005	(0.001)	0.022	Note B & C
6	925080	Workers Comp	0.022	0.004		(0.001)	0.000	0.017	Note B & C
7	925710	billed by service company	0.168	0.031			-	0.137	Note B & C
8	925	Total Injuries & Damages	\$ 0.292	\$ 0.054	\$ -	\$ 0.014	\$ (0.003)	\$ 0.250	Sum of Lines 2 thru 7
9		Total Insurance	\$ 0.328	\$ 0.072	\$ -	\$ 0.017	\$ (0.004)	\$ 0.269	Line 1 + Line 8
10		Net Increase (Decrease)					\$ 0.013		Cols F & G Line 9

Note A Account 924 is allocated to Transmission using the plant allocator 51.189% Exhibit CLV-9 line 11
Account 925 is allocated to Transmission using the labor allocator 18.323% Exhibit CLV-9 line 16
Allocation is per the ISO New England Tariff Schedule 21, Original Sheet 2064, paragraph I

Note B Per Book Balances are from CLV-11

Note C Adjustement per workpapers

Inflation Adjustment (\$ in Millions)

Line	Description	Amount	Reference
	Col A	Col B	Col C
1	Test Year Distribution O & M	\$ 9.468	Exhibit CLV-2 Page 2 line 69, Col. G
2	Distribution Labor	(4.846)	Exhibit CLV-3 Page 1 line 1, Col D
3	Rents	(0.575)	Exhibit CLV-2 Page 2 lines 29 and 65, Col. G
4	Bad Debts	(0.094)	Exhibit CLV-2 Page 2 line 43, Col. G
5	Insurance	(0.256)	Exhibit CLV-2 Page 2 lines 60 and 61, Col. G
6			
7	Residual O & M	\$ 3.696	Sum of Lines 1 through 6
8	Inflation Factor	4.167%	Line 33
9	Inflation Allowance	\$ 0.154	Line 7 * Line 8

	Calculation of Inflation Percentage (Note)	Inflation from mid-point of test year to mid-point of rate year
10		
11	1-Jan-05	1.920
12	1-Feb-05	1.930
13	1-Mar-05	1.930
14	1-Apr-05	1.930
15	1-May-05	1.940
16	1-Jun-05	1.940
17	1-Jul-05	1.940
18	1-Aug-05	1.950
19	1-Sep-05	1.950
20	1-Oct-05	1.950
21	1-Nov-05	1.960
22	1-Dec-05	1.960
23	1-Jan-06	1.970
24	1-Feb-06	1.970
25	1-Mar-06	1.970
26	1-Apr-06	1.980
27	1-May-06	1.980
28	1-Jun-06	1.980
29	1-Jul-06	1.980
30	1-Aug-06	1.990
31	1-Sep-06	1.990
32	1-Oct-06	1.990
33	1-Nov-06	2.000
		4.167%

Source:
Global Insight (USA), Inc. (May 2005)
 Consumer Price Index, All-urban\BLS\
 1982-84=1.00\Old DRI CPI; Old WEFA CPIU

Property Tax Adjustment (\$ in Millions)

Line	Town	Last Payment	Payment Frequency	Annualized Payment
	Col. A	Col. B	Col. C	Col. D
1	Cambridge	\$ 0.906	Semi-Annual	<u>\$ 2.068</u>
2	Property Taxes per Books:	<u>Amount</u>	<u>Percent</u>	
3	Cambridge Utility	1.805	97.64%	
4	Blackstone (Transition)	<u>-</u>	<u>0.00%</u>	
5	Utility	1.805	97.64%	
6	Non-Utility	<u>0.044</u>	<u>2.36%</u>	
7	Total Charged	<u>\$ 1.849</u>	<u>100.00%</u>	
8	Property Tax Adjustment			
9	Proforma Utility Property Taxes (L. 1, Col. D * L. 3, Col. C)			\$ 2.020
10	Less: blank			
11	Latest Retail Property Tax Payments			\$ 2.020
12	Less: Test Year Utility Property Tax Expense			<u>(1.805)</u>
13	Proforma Rate Year Adjustment			\$ 0.214
14	Allocated to Transmission (Note A)	51.1886%		0.110
15	Distrbution Increase			\$ 0.105
16				
17	<u>Non-Utility</u>			
18	408211	108 Sherman		\$ 0.001
19	408212	Broadway & Portland		0.004
20	408213	Putnam-Rear		0.008
21	408213	180 Hampshire Street		0.007
22	408214	134-136 Amory		0.002
23	408216	Broadway		0.004
24	408216	126 Amory		0.001
25	408218	Putham		<u>0.015</u>
26				<u>\$ 0.044</u>

Note A Allocation is per the ISO New England Tariff Schedule 21, Original Sheet 2064, paragraph E

Cash Working Capital (\$ in Millions)

Line	Description	Net (Lead)/		Working Capital	Reference
		Lag Days	Test Year		
	Col A	Col B	Col C	Col D	Col E
				Col. C * Col B / 365 Days	
1	Fuel & Purchase Power		\$ 118.083		Exhibit CLV-2 Page 2, L. 4, 10 and 12
2	Less: Transmission Support (TCOS)		(4.065)		Exh CLV-9, Page 1, Line34
3	Less: Misc. Short Term Capacity Sales		(6.059)		Exhibit CLV-7 Page 2 line 59
4	Net Fuel & Purchase Power	30.00	\$ 107.958	\$ 8.873	Sum lines 1 thru 3
	This cash working capital associated with power should be recovered from the Basic service customers and we have not included this balance in this cost of service				
5	Operations and Maintenance Expense		\$ 10.475		Exhibit CLV-2 Page 3 line 11, Col. B
6	Less Bad Debts		(0.094)		Exhibit CLV-2 Page 2 line 43, Col. G
7	Less Bad Debts Adjustment		(0.113)		Exhibit CLV-2 Page 3 line 4, Col. B
8	Plus DSM		4.188		Exhibit CLV-2 Page 2 line 47, Col. E
9	Plus PAM		1.217		Exhibit CLV-2 Page 2 line 62, Col. E
10	Cash Working Capital	45	\$ 15.673	\$ 1.932	Sum lines 5 thru 9
	Working Capital Transferred to Basic Service				
11	Equity return			5.75%	Exhibit CLV-2 Page 7 line 22, Col. E
12	times tax factor			<u>64.54%</u>	Exhibit CLV-2 Page 6 line 9, Col. B
13	Tax to be recovered			3.71%	Multiply lines 11 and 12
14	Total return			<u>9.72%</u>	Exhibit CLV-2 Page 2 line 23, Col. E
15	Return plus taxes			13.43%	Sum line 13 thru 14
16	Working Capital associated with power			\$ 8.873	Line 4 above Col D
17	Revenue due to working capital associated with power			\$ 1.192	Multiply lines 15 and 16

Accumulated Deferred Income Taxes (ADIT - \$ in Millions)

Line	Description	Account	Per Books Balance	Less Transmission	Less Transition, Energy Supply, DSM, PAM	Less Other	Distribution	Notes
	Col A	Col B	Col C	Col D	Col E	Col F	Col G	Col H
1	Demand side management costs	190	\$ 1.674		1.674		-	
2	FAS109 Regulatory liability	190	0.390	0.200			0.190	Note A
3	Pension expense	190	1.416	0.259	1.156		-	Note B
4	Provision for rate refund	190	0.107			0.107	-	
5	Sales tax reserves	190	0.131	0.067			0.064	Note A
6	Self insurance reserves	190	0.149	0.076			0.073	Note A
7	Uncollectible accounts	190	0.083	-			0.083	
8	Other items	190	0.097	0.050	-	-	0.047	Note A
9	Total per Form 1, P. 234, L. 18, Col C	190	\$ 4.046	\$ 0.652	\$ 2.830	\$ 0.107	\$ 0.457	Sum Lines 1 through 8
10								
11	Property Items Depreciation	282		\$ -	\$ -	\$ -	\$ -	
12	Transition property	282.000		-	-	-	-	
13	Total	282	\$ 25.874	\$ 13.245	\$ -	\$ -	\$ 12.630	Note A
14								
15	Cost to achieve deferred	283	0.960			0.960	-	Not in Rate Base
16	Deferred transition costs	283	\$ 4.664		\$ 4.664	\$ -	-	Transition Charge
17	Post employment benefits accrued	283	1.590	0.291	1.298	-	-	PAM
18	Transmission deferrals	283	1.035		1.035	-	-	Transmission Charge
19	Other items	283	1.906	0.976	-	-	0.930	Note A
20	Total	283	\$ 10.155	\$ 1.267	\$ 6.997	\$ 0.960	\$ 0.930	Sum Lines 15 through 19

Note A = Transmission Plant Allocator, CLV-9, Page 1, Line 11 at 51.1886%

Note B = Transmission Wages & Salaries Allocator, CLV-9, Page 1, Line 16 at 18.3230%

Allocation is per the ISO New England Tariff Schedule 21, Original Sheet 2059, paragraph A.1.f

Detailed Revenue Accounts (\$ in Millions)

Line	Acct	Description	Per Books	Less	Less	Less	Distribution	Reference
			Balance	Transmission	Transition, Energy Supply, DSM, PAM	Other		
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H
1	417010	Wireless communications revenue	\$ -	\$ -	\$ -	\$ -	\$ -	
2	417020	Property mgmt and develop revenue		-	-	-	-	
3	417030	Property protection revenue		-	-	-	-	
4	417110	Consultants expense		-	-	-	-	
5	417120	Rent expense		-	-	-	-	
6	417	Total Nonutility Revenues/Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	Exhibit CLV-2 Page 8 line 20
7	440060	Residential - Energy Conservation	0.475	-	0.475	-	-	
8	440070	Residential - Renewable	0.095	-	0.095	-	-	
9	440120	Residential - Distribution	7.828	-	-	-	7.828	
10	440130	Residential - unbilled Distribution	(0.072)	-	-	-	(0.072)	
11	440140	Residential - Transmission	4.053	4.053	-	-	-	
16	440150	Residential - unbilled Transmission		-	-	-	-	
17	440160	Residential - Transition	0.552	-	0.552	-	-	
18	440162	Residential - Unbilled Transition	(0.007)	-	(0.007)	-	-	
19	440165	Deferred Transmission		-	-	-	-	
20	440170	Residential - Standard Offer	3.891	-	3.891	-	-	
21	440175	Residential - Basic Service Adjustment	0.279	-	0.279	-	-	
22	440180	Residential - Basic service	8.476	-	8.476	-	-	
23	440195	Residential - PAM	0.238	-	0.238	-	-	
24	440196	Deferred PAM Elect	(0.329)	-	(0.329)	-	-	
25	440	Total Residential Sales	\$ 25.480	\$ 4.053	\$ 13.670	\$ -	\$ 7.756	Exhibit CLV-2 Page 8 line 2
26	442330	Commercial - Distribution	\$ 12.467	\$ -	\$ -	\$ -	\$ 12.467	
27	442340	Commercial - unbilled Distribution	(0.052)	-	-	-	(0.052)	
28	442350	Industrial - Distribution	0.139	-	-	-	0.139	
29	442360	Industrial - unbilled Distribution	(0.004)	-	-	-	(0.004)	
30	442380	Commercial - Transmission	21.069	21.069	-	-	-	
31	442395	Commercial - PAM	1.782	-	1.782	-	-	
32	442400	Industrial - Transmission	0.351	0.351	-	-	-	
33	442430	Industrial - Transition	0.092	-	0.092	-	-	
34	442435	Industrial - Unbilled Transition	(0.005)	-	(0.005)	-	-	
35	442450	Commercial - Standard Offer	34.979	-	34.979	-	-	
36	442455	Commercial - Basic Service Adj	2.122	-	2.122	-	-	
37	442460	Industrial - Standard Offer	0.781	-	0.781	-	-	
38	442465	Industrial - Basic Service Adj	0.042	-	0.042	-	-	
39	442480	Commercial - Basic Service	38.380	-	38.380	-	-	
40	442490	Industrial - Basic service	0.290	-	0.290	-	-	
41	442495	Industrial - PAM	0.036	-	0.036	-	-	
42	442500	Commercial - Transition	4.407	-	4.407	-	-	
43	442505	Commercial - Unbilled Transition	(0.109)	-	(0.109)	-	-	
44	442520	Commercial - Energy Conservation	3.620	-	3.620	-	-	
45	442530	Commercial - Renewable	0.724	-	0.724	-	-	
46	442540	Industrial - Energy Conservation	0.072	-	0.072	-	-	
47	442550	Industrial - Renewable	0.014	-	0.014	-	-	
48	442	Total Commercial and Industrial Sales	\$ 121.197	\$ 21.420	\$ 87.227	\$ -	\$ 12.550	Exhibit CLV-2 Page 8 line 3

Detailed Revenue Accounts (\$ in Millions)

Line	Acct	Description	Less					Reference
			Form 1	Form 1	Form 1	Form 1	Form 1	
			Balance	Transmission	Transition, Energy Supply, DSM, PAM	Other	Distribution	
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H
49	444040	Street Light - Distribution	\$ 0.744	\$ -	\$ -	\$ 0.454	\$ 0.291	Normalized/ streetlight sale
50	444050	Street Light - Transmission	0.146	0.146	-	-	-	
51	444060	Street Light - Transition	0.025	-	0.025	-	-	
52	444070	Street Light - Standard Offer	0.370	-	0.370	-	-	
53	444075	Street Lighting - Basic Service Adj	0.013	-	0.013	-	-	
54	444080	Street Light - Energy Conservation	0.021	-	0.021	-	-	
55	444090	Street Light - Renewable	0.004	-	0.004	-	-	
56	444095	Street Light - PAM	0.009	-	0.009	-	-	
57	444100	Street Light - Basic Service	0.070	-	0.070	-	-	
58	444	TOTAL ACCOUNT 444	\$ 1.401	\$ 0.146	\$ 0.511	\$ 0.454	\$ 0.291	Exhibit CLV-2 Page 8 line 4
59	447640	Misc short term sales capacity	6.059	-	6.059	-	-	
60	447	Total Sales for Resale	\$ 6.059	\$ -	\$ 6.059	\$ -	\$ -	Exhibit CLV-2 Page 8 line 6
61	449100	Provision for Rate Refunds	\$ (1.275)	\$ -	\$ -	\$ (1.275)	\$ -	Exhibit CLV-2 Page 8 line 8
62	450010	Forefeited Discounts - Interest charge re	\$ 0.199	\$ -	\$ -	\$ -	\$ 0.199	Exhibit CLV-2 Page 8 line 11
86	451020	Miscellaneous Service Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	Exhibit -CLV-2 Page 8 line 12
87	454002	Assoc CO. Rents - Summit	\$ 0.012		\$ -	\$ -	\$ 0.012	
88	454130	Assoc CO. Rents - Summit	\$ 0.001		-	-	0.001	
89	454170	Assoc Co line 1-Canal	\$ 0.000		-	-	0.000	
90	454180	Pole Attachments - CATV	\$ 0.010		-	-	0.010	
91	454717	Assoc CO. Rents - Summit	\$ 0.003		-	-	0.003	
92	454730	Assoc CO. Rents	\$ 0.000		-	-	0.000	
93	454735	Assoc CO. Rents - Summit	\$ 0.002		-	-	0.002	
94	454745	Assoc CO. Rents	\$ 0.001		-	-	0.001	
95	454750	Assoc Co Rent Elect Prop..	\$ 0.003		-	-	0.003	
96	454780	Mirant Kendall - Facilities	\$ 0.497	0.497	-	-	-	
97	454910	Rent-Prop In Operation	\$ 0.074		-	-	0.074	
98	454	Total Rent from Electric Property	\$ 0.603	\$ 0.497	\$ -	\$ -	\$ 0.106	Exhibit CLV-2 Page 8 line 14

Detailed Revenue Accounts (\$ in Millions)

Line	Acct	Description	Form 1	Less Form 1	Less Form 1	Less Form 1	Form 1	Reference
			Balance	Transmission	Transition, Energy Supply, DSM, PAM	Other	Distribution	
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H
99	456010	Other operating revenues	\$ 0.042	\$ -	\$ -	\$ -	\$ 0.042	
100	456017	DSM incentive	0.392		0.392		-	
101	456102	Acct Reactivation Rev	0.001				0.001	
102	456122	Transm Chgs - Muni	1.264	1.264	-	-	-	
103	456470	Cancel Small Final Customer Balance	(0.009)				(0.009)	
104	456475	Customer Goodwill Adjustment	(0.003)				(0.003)	
105	456490	Hydro QueCAM Energy Line Usage	0.119		0.119		-	
106	456690	RNS Transmission revenue	3.357	3.357			-	
107	456770	PAM return on prepaid & deferral	2.229		2.229		-	
108	456780	Oracle return check fee	0.007				0.007	
109	456810	Call Center Adjustments	(0.001)		-	-	(0.001)	
110	456820	DTE Adjustments	(0.000)		-	-	(0.000)	
111	456830	Prudential sub lease	0.064		-	-	0.064	
112	456850	Power System Services Revenue	0.001		-	-	0.001	
113	456980	Interval data revenue	0.007		-	-	0.007	
114	440165	Deferred Transmission	-	-	-	-	-	(Reclass from 440)
115	456	Total Other Electric Revenues	\$ 7.471	\$ 4.621	\$ 2.741	\$ -	\$ 0.110	FF1, P. 300, L. 21
116		Total Revenues	\$ 161.136	\$ 30.737	\$ 110.209	\$ (0.821)	\$ 21.011	
117		Retail Energy Supply			89.694			

Cambridge Electric Light Company
Cost of Service
Operations & Maintenance Expense
12 months ended 6/30/05

D.T.E. 05-85
Cambridge Electric Light Company
Exhibit CAM-CLV-8
Page 1 of 1

Line	A/C	Description	Form 1	Less: Form 1	Add: Form 1	12 months ended 6/30/05
			12/31/04	2nd Quarter	2nd Quarter	
			Year-to-Date	2004	2005	
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F
1	555	Purchased Power	\$ 88.517	\$ 46.687	\$ 32.189	\$ 74.018
2	556	System Control & Load Dispatching	0.028	0.018	0.023	0.033
3	557	Other Expenses	6.520	3.041	12.134	15.613
4		Total Power Supply Expense	\$ 95.065	\$ 49.747	\$ 44.346	\$ 89.664
5	560	Operation Supervision and Engineering	0.041		0.034	0.076
6	561	Load Dispatching	0.461	0.193	0.238	0.506
7	562	Station Expense	0.004	0.001	0.012	0.015
8	563	Overhead Lines Expenses	0.003		0.000	0.003
9	564	Underground Lines Expenses	0.003	0.000		0.003
10	565	Transmission of Electricity by Others	21.034	5.028	12.413	28.419
11	566	Miscellaneous Transmission Expenses	0.006	0.002	0.006	0.010
12	567	Rents				
13	568	Maintenance Supervision and Engineering	0.025	0.017	0.005	0.012
14	569	Maintenance of Structures				
15	570	Maintenance of Station Equipment	0.003	0.001	0.004	0.006
16	571	Maintenance of Overhead Lines	0.015	0.003	(0.012)	(0.000)
17	572	Maintenance of Underground Lines	0.004	0.002	0.001	0.003
18	573	Maintenance of Misc. Transmission Plant				
19		Transmission	\$ 21.598	\$ 5.247	\$ 12.701	\$ 29.052
20	580	Operation, Superv & Engineering	0.404	0.258	0.208	0.354
21	581	Load Dispatching	0.147	0.068	0.081	0.160
22	582	Station Expenses	0.343	0.193	0.672	0.822
23	583	Overhead Line Exp	0.230	0.156	0.131	0.205
24	584	Underground Line	0.289	0.120	0.184	0.354
25	585	Street Lighting & Signal System	0.006	0.003	0.005	0.008
26	586	Meter Expenses	0.368	0.177	0.199	0.390
27	587	Customer Installation	0.054	0.021	0.022	0.055
28	588	Misc. Distribution	0.383	0.037	(0.000)	0.346
29	589	Rents	0.546	0.272	0.233	0.508
30	590	Maint Supervision	0.206	0.067	0.094	0.233
31	591	Maintenance of Structures	0.049	0.012	0.044	0.082
32	592	Maint of Station	0.134	0.039	0.155	0.250
33	593	Maint of Overhead	0.165	0.032	0.120	0.253
34	594	Maint of Underground Lines	0.436	0.250	0.111	0.298
35	595	Maint of Line Transformers				
36	596	Maint of Street Lights & signal	0.001			0.001
37	597	Maint of Meters				
38	598	Maint of Misc Distribution	0.055	0.027	0.042	0.070
39		Distribution	\$ 3.817	\$ 1.732	\$ 2.304	\$ 4.389
40	901	Supervision	0.077	0.035	0.042	0.084
41	902	Meter Reading Exp	0.346	0.174	0.162	0.334
42	903	Customer Records	1.254	0.601	0.644	1.297
43	904	Uncollectable Accounts	0.151	0.214	0.157	0.094
44	905	Misc. Customer Accounts	0.064	0.032	0.036	0.068
45		Customer Accounts	\$ 1.892	\$ 1.057	\$ 1.042	\$ 1.877
46	907	Supervision				
47	908	Customer Assistance	4.099	1.953	2.043	4.188
48	909	Informational & Instructional	0.018	0.010	0.004	0.012
49	910	Misc. Customer Service	0.243	0.135	0.115	0.223
50		Customer Service	\$ 4.360	\$ 2.099	\$ 2.162	\$ 4.423
51	911	Supervision	0.039	0.018	0.022	0.043
52	912	Demonstration and Selling	0.002	0.001	(0.000)	0.001
53	913	Advertising				
54	916	Misc. Sales Expense	0.039	0.019	0.006	0.026
55		Sales	\$ 0.080	\$ 0.038	\$ 0.028	\$ 0.070
56	920	Admin & General Salaries	1.537	0.997	1.072	1.612
57	921	Office Supplies & Expenses	0.641	0.253	0.244	0.632
58	922	Admin Expenses Transferred	(0.422)	(0.287)	(0.181)	(0.317)
59	923	Outside Services	0.281	0.157	0.191	0.316
60	924	Property Insurance	0.022	0.006	0.019	0.035
61	925	Injuries & Damage	0.414	0.278	0.157	0.292
62	926	Employee Benefits	3.266	1.569	1.794	3.492
63	928	Regulatory Commission Expense	0.457	0.199	0.226	0.485
64	930	General Ad Expense	0.095		0.019	0.114
			0.029	0.061	0.025	(0.007)
65	931	Rents	0.176	0.089	0.252	0.339
66	935	Maint of General				
67		Admin	\$ 6.497	\$ 3.321	\$ 3.819	\$ 6.995
68						
69		Total	\$ 133.311	\$ 63.241	\$ 66.400	\$ 136.470

Cambridge
Transmission Allocators with 13.8

Plant Allocator:		6/30/05		
Col. A	Col. B	Col. C	Col. D	Col. E
1	Transmission Plant (Incl Dispatch)	\$ 33.901	Exhibit CAM-CLV-2 Page 4 line 8	
2	Trans Related Dist Plant (Incl Dispatch)	51.933	Exhibit CAM-CLV-2 Page 4 line 24	
3	Total Transmission Investment	\$ 85.834	line 1 plus line 2	
4	Intangible Plant	2.684	Exhibit CAM-CLV-2 Page 4 line 6	
5	General Plant	3.358	Exhibit CAM-CLV-2 Page 4 line 41	
6	Total Intangible & General Plant	6.042	line 4 plus line 5	
7	W&S Allocator (Incl Dispatch)	18.32%	line 16	
8	Transmission Related General & Intang Plant	1.107	Exhibit CAM-CLV-2 Page 4 lines 6 and 41	
9	Total Transmission Related Plant	\$ 86.941	line 3 plus line 8	
10	Total Plant in Service	\$ 169.845	Exhibit CAM-CLV-2 Page 4 line 43	
11	Plant Allocator	51.1886%	line 9 divided by line 10	
			Note A	
Wage & Salary Allocator		Year Ending 6/30/05		
12	Transmission W&S (Incl Dispatch)	\$ 0.638	Exhibit CAM-CLV-9 Page 2 line 69	
13	Total W&S	4.971	Exhibit CAM-CLV-9 Page 2 line 69	
14	A&G W&S	1.488	Exhibit CAM-CLV-9 Page 2 line 67	
15	W&S Net of A&G	\$ 3.484	line 13 minus line 14	
16	W&S Allocator Including Dispatch	18.3230%	line 12 divided by line 15	
17	Payroll Tax Allocator	50.2460%	Note A	

Acct	Account Description	ACTUAL 6/30/05	Amount Assigned To Transmission	Transmission Tariff (inc. attachment or schedule) where recovery is provided
18	565060 NEPOOL reliability EHV transmission	0.104	0.104	Schedule 16 System Restoration and Planning for Generators
19	565120 Support payments to Boston Edison	3.635	3.635	Schedule 21 CELCO Local Service Schedule - Attachment D
20	(Station 402 & 509)	-	-	Schedule 21 CELCO Local Service Schedule - Attachment D
21	565150 Support payments to Commonwealth	0.289	0.289	Schedule 21 CELCO Local Service Schedule - Attachment D
22	(Line 331, Canal section A &B)	-	-	Schedule 21 CELCO Local Service Schedule - Attachment D (HQ AC) *
23	565170 Assoc Co Trans Elect : Others	0.700	0.142	Schedule 19 Special Constraint Resource Service & RTO Tariff RMR (Market Rule1)
24	Hydro Quebec	-	-	Schedule 9 RNS and Attachment F & Attachment F Implementation Rule
25	565210 Congestion costs	17.550	17.550	
26	565590 RNS transmission payment	6.142	6.142	
27	Total	\$ 28	\$ 28	
28	* Hydro Quebec in Transition Charge =	0.558		
29	Transmission Support for W/C Allowance			
30	Total Transmission		27.861	
31	Less NEPOOL Reliability (565060)		(0.104)	
32	Less Congestion Costs (565210)		(17.550)	
33	Less RNS Transmission (565590)		(6.142)	
34	Transmission W/C Allowance		4.065	

Note A Allocator is calculated per the ISO New England Tariff Schedule 21, Original Sheet 2051-2052, definitions

Line	A/C	Description	Per Books	Per Books	Per Books	Labor	13.8 kV	Reference
			Total	Total	Total	Transmission	Transmission	
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H
1	555	Purchased Power	74.018	74.018	-			
2	556	System Control & Load Dispatching	0.033	(0.012)	0.045			
3	557	Other Expenses	15.613	15.613	-			
4		Total Power Supply Expense	89.664	89.620	0.045	-		
5	560	Operation Supervision and Engineering	0.076	(0.009)	0.084	0.084		
6	561	Load Dispatching	0.506	0.477	0.029	0.029		
7	562	Station Expense	0.015	0.012	0.002	0.002		
8	563	Overhead Lines Expenses	0.003	0.003	-	-		
9	564	Underground Lines Expenses	0.003	0.003	-	-		
10	565	Transmission of Electricity by Others	28.419	28.419	-	-		
11	566	Miscellaneous Transmission Expenses	0.010	0.010	-	-		
12	567	Rents	-	-	-	-		
13	568	Maintenance Supervision and Engineering	0.012	0.007	0.005	0.005		
14	569	Maintenance of Structures	-	-	-	-		
15	570	Maintenance of Station Equipment	0.006	0.003	0.003	0.003		
16	571	Maintenance of Overhead Lines	(0.000)	(0.000)	0.000	0.000		
17	572	Maintenance of Underground Lines	0.003	0.001	0.002	0.002		
18	573	Maintenance of Misc. Transmission Plant	-	-	-	-		
19		Transmission	29.052	28.926	0.125	0.125		
20	580	Operation, Superv & Engineering	0.354	(0.010)	0.365	0.073	19.93%	Line 72
21	581	Load Dispatching	0.160	0.142	0.018	0.007	39.98%	Exhibit CAM-CLV-9 Page 4 line 14
22	582	Station Expenses	0.822	0.672	0.150	0.069	45.74%	Exhibit CAM-CLV-9 Page 4 line 3
23	583	Overhead Line Exp	0.205	0.165	0.040			
24	584	Underground Line	0.354	0.275	0.078	0.038	48.60%	Exhibit CAM-CLV-9 Page 4 line 15
25	585	Street Lighting & Signal System	0.008	0.008	0.001			
26	586	Meter Expenses	0.390	0.077	0.313			
27	587	Customer Installation	0.055	0.019	0.036			
28	588	Misc. Distribution	0.346	0.286	0.060	0.025	41.36%	Exhibit CAM-CLV-9 Page 4 line 16
29	589	Rents	0.508	0.508	-	-	41.36%	Exhibit CAM-CLV-9 Page 4 line 16
30	590	Maint Supervision	0.233	0.087	0.146	0.066	45.32%	Line 73
31	591	Maintenance of Structures	0.082	0.012	0.070	0.066	95.23%	Exhibit CAM-CLV-9 Page 4 line 2
32	592	Maint of Station	0.250	0.036	0.214	0.098	45.74%	Exhibit CAM-CLV-9 Page 4 line 3
33	593	Maint of Overhead	0.253	0.165	0.088			
34	594	Maint of Underground Lines	0.298	0.151	0.148	0.072	48.60%	Exhibit CAM-CLV-9 Page 4 line 15
35	595	Maint of Line Transformers	-	-	-			
36	596	Maint of Street Lights & signal	0.001	(0.001)	0.002			
37	597	Maint of Meters	-	-	-			
38	598	Maint of Misc Distribution	0.070	0.070	0.000	0.000	41.36%	Exhibit CAM-CLV-9 Page 4 line 16
39		Distribution	4.389	2.663	1.726	0.513		Note A
40	901	Supervision	0.084	(0.013)	0.097			
41	902	Meter Reading Exp	0.334	0.065	0.270			
42	903	Customer Records	1.297	0.718	0.579			
43	904	Uncollectable Accounts	0.094	0.094	-			
44	905	Misc. Customer Accounts	0.068	0.068	-			
45		Customer Accounts	1.877	0.931	0.946	-		
46	907	Supervision	-	-	-			
47	908	Customer Assistance	4.188	3.771	0.418			
48	909	Informational & Instructional	0.012	0.012	-			
49	910	Misc. Customer Service	0.223	0.079	0.143			
50		Customer Service	4.423	3.862	0.561	-		
51	911	Supervision	0.043	(0.007)	0.050			
52	912	Demonstration and Selling	0.001	(0.001)	0.002			
53	913	Advertising	-	-	-			
54	916	Misc. Sales Expense	0.026	(0.003)	0.029			
55		Sales	0.070	(0.011)	0.081	-		
56	920	Admin & General Salaries	1.612	(0.289)	1.901			
57	921	Office Supplies & Expenses	0.632	0.632	0.001			
58	922	Admin Expenses Transferred	(0.317)	0.099	(0.416)			
59	923	Outside Services	0.316	0.316	-			
60	924	Property Insurance	0.035	0.035	-			
61	925	Injuries & Damage	0.292	0.292	-			
62	926	Employee Benefits	3.492	3.490	0.002			
63	928	Regulatory Commission Expense	0.485	0.485	-			
64	930	General Ad Expense	0.107	0.107	-			
65	931	Rents	0.339	0.339	-			
66	935	Maint of General	-	-	-			
67		Admin	6.995	5.507	1.488	-		
68			-	-	-			
69		Total	136.470	131.499	4.971	0.638		
70					4.846			
71					0.125			
72		Supervision Allocation			0.695	0.139	19.93%	Sum lines 21 Thru 29
73		Supervision Allocation			0.520	0.236	45.32%	Sum lines 22 Thru 30

Note A Allocator is calculated per the ISO New England Tariff Schedule 21, Original Sheet 2064, paragraph H, and 2053 definitions

Cambridge Labor by Account

Line #	A/C		mgmt	u369	u12004	Total
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F
1	556	System Control & Load Dispatching	\$ 0.043	\$ 0.002	\$ (0.000)	\$ 0.045
2	560	Operation Supervision and Engineering	0.057	0.028	0.000	0.084
3	561	Load Dispatching	0.031	(0.002)	(0.000)	0.029
4	562	Station Expense	(0.002)	0.004	(0.000)	0.002
5	568	Maintenance Supervision and Engineering	0.001	0.004	0.000	0.005
6	570	Maintenance of Station Equipment	-	0.003	-	0.003
7	571	Maintenance of Overhead Lines	0.000	-	-	0.000
8	572	Maintenance of Underground Lines	0.001	0.000	-	0.002
9	580	Operation, Superv & Engineering	0.266	0.098	(0.000)	0.365
10	581	Load Dispatching	0.019	(0.001)	(0.000)	0.018
11	582	Station Expenses	(0.049)	0.199	(0.000)	0.150
12	583	Overhead Line Exp	0.009	0.029	0.001	0.040
13	584	Underground Line	0.009	0.069	0.000	0.078
14	585	Street Lighting & Signal System	0.001	(0.000)	(0.000)	0.001
15	586	Meter Expenses	0.078	0.235	(0.000)	0.313
16	587	Customer Installation	0.019	0.018	0.000	0.036
17	588	Misc. Distribution	(0.060)	0.064	0.056	0.060
18	590	Maint Supervision	0.039	0.107	0.000	0.146
19	591	Maintenance of Structures	0.001	0.069	0.000	0.070
20	592	Maint of Station	0.036	0.178	0.000	0.214
21	593	Maint of Overhead	0.036	0.052	0.000	0.088
22	594	Maint of Underground Lines	0.063	0.084	0.000	0.148
23	596	Maint of Street Lights & signal	0.002	-	-	0.002
24	598	Maint of Misc Distribution	0.000	0.000	0.000	0.000
25	901	Supervision	0.095	0.002	0.000	0.097
26	902	Meter Reading Exp	0.001	0.267	0.002	0.270
27	903	Customer Records	0.027	0.549	0.003	0.579
28	908	Customer Assistance	0.247	0.171	0.000	0.418
29	910	Misc. Customer Service	0.128	0.015	(0.000)	0.143
30	911	Supervision	0.046	0.004	0.000	0.050
31	912	Demonstration and Selling	0.002	0.000	0.000	0.002
32	916	Customer Service	0.007	0.022	0.000	0.029
33	920	Admin & General Salaries	1.715	0.186	(0.000)	1.901
34	921	Office Supplies & Expenses	0.000	0.001	0.000	0.001
35	922	Admin Expenses Transferred	(0.103)	(0.312)	(0.000)	(0.416)
36	926	Employee Benefits	0.002	0.000	(0.000)	0.002
37	Total		\$ 2.766	\$ 2.144	\$ 0.061	\$ 4.971
38						
39	Trans		\$ 0.088	\$ 0.037	\$ 0.000	\$ 0.125
40	Dist		\$ 2.678	\$ 2.107	\$ 0.061	\$ 4.846
41	Union			\$ 2.168		

13.8 kV Transmission Allocators

		Col C = Col B / Col A * 100			
Line #	Description	Total	13.8kv	13.8kv as % of Total	
	Col A	Col B	Col C	Col D	Col E
1	360	Land & Land Rights	0.238	\$ 0.114	47.93%
2	361	Structures & Improvements	2.305	2.195	95.23%
3	362	Station Equipment	36.277	16.594	45.74%
4	363	Storage Battery Equipment	-	-	
5	364	Poles, Towers & Fixtures	2.795	-	
6	365	OH Conductors & Devices	5.850	-	
7	366	UG Conduit	19.963	8.504	42.60%
8	367	UG Conductors & Devices	47.994	24.525	51.10%
9	368	Line Transformers	4.107	-	
10	369	Services - Overhead	1.770	-	
11	369	Services - Underground	4.259	-	
12	370	Meters	3.505	-	
13	373	Street Lighting	0.838		
14	Distribution Plant	Total	129.901	51.933	39.98%
15	366&367	UG	67.958	33.030	48.60%
16	Total Excl 370 & 373	Excl Meteres & SL	125.558	51.933	41.36%

13.8 kV Accumulated Depreciation Calculation Using Above Transmission Allocators

		Accumulated Depreciation (\$ Millions)			
Line #		Distribution Plant	Total	Transmission	
17	360	Land & Land Rights	\$ -	-	
18	361	Structures & Improvements	1.461	1.391	See allocator above
19	362	Station Equipment	17.412	7.965	See allocator above
20	363	Storage Battery Equipment			
21	364	Poles, Towers & Fixtures	1.442		
22	365	OH Conductors & Devices	2.245		
23	366	UG Conduit	8.773	3.737	See allocator above
24	367	UG Conductors & Devices	10.365	5.297	See allocator above
25	368	Line Transformers	1.912		
26	369	Services - Overhead	0.876		
27	369	Services - Underground	2.107		
28	370	Meters	(0.486)		
29	373	Street Lighting	0.495		
30		Total Dist Plant	\$ 46.603	\$ 18.390	FF1, p.208, l.8, col.b

Note A ISO New England Tariff Schedule 21, Original Sheet 2053 & 2057, definitions

FERC	ACCOUNT	SDESC	6/30/2005 ACTUAL	Reclass	6/30/2005 FERC AMT
101 Total			154,274,896.89	-	154,274,896.89
106 Total			18,529,397.96	-	18,529,397.96
107 Total			18,939,246.50	-	18,939,246.50
108 Total			(59,880,289.92)	-	(59,880,289.92)
121 Total			63,384.43	-	63,384.43
123	123100	Yankee Atomic	18,920.00		18,920.00
123	123110	Connecticut Yankee	2,033,230.00		2,033,230.00
123	123112	Maine Yankee	1,190,700.54		1,190,700.54
123 Total			3,242,850.54	-	3,242,850.54
124	124711	Other Investments	5,000.00		5,000.00
124 Total			5,000.00	-	5,000.00
131	131010	Cash	400,679.06		400,679.06
131 Total			400,679.06	-	400,679.06
142	142010	Accounts Receivable General	13,712,633.14		13,712,633.14
142	142070	Sales Tax Refund	34,488.35		34,488.35
142	142080	Sales Tax Abatements	215,237.18		215,237.18
142	142160	Wholesale accounts receivable	0.02		0.02
142	142170	Transmission accounts receivable	226,986.56		226,986.56
142	142180	Other Accounts Receivable	10,527.00		10,527.00
142 Total			14,199,872.25	-	14,199,872.25
143	143050	Miscellaneous Accounts Receivable s	166.09		166.09
143	143120	Keep costs receivable	659.97		659.97
143	143128	Keep costs receivable - under ground	40,813.59		40,813.59
143 Total			41,639.65	-	41,639.65
144	144011	Uncollectible Reserve	(301,277.90)		(301,277.90)
144	144020	Prov Losses Consumers	(157,312.61)		(157,312.61)
144	144030	Write-Offs Consumers	240,717.91		240,717.91
144	144040	Recovies Consumers	1,924.88		1,924.88
144	144050	Cons Recoveries U.R.C.	(112,240.81)		(112,240.81)
144	144070	Keep Costs receivable provision	(33,000.00)		(33,000.00)
144	144230	Write Offs-Misc	159,000.00		159,000.00
144 Total			(202,188.53)	-	(202,188.53)
146	146002	A/R Assoc.Co-NSTAR	2,758.99		2,758.99
146	146006	A/R Assoc Co.Com-Energy	4,136,293.61		4,136,293.61
146	146120	A/R Assoc. Co.-Boston Edison	3,248,547.93		3,248,547.93
146	146130	A/R Asscoc. Co.-Harbor Electric	197.56		197.56
146	146150	A/R Assoc.Co- Com Electric	566,689.52		566,689.52
146	146170	A/R Assoc.Co- Canal Electric	62.55		62.55
146	146200	A/R Assoc. Co- ComGas	23,009.05		23,009.05
146	146300	A/R Assoc.Co.- NSTAR Services	7,335,279.18		7,335,279.18
146	146717	A/R Assoc Co - MATEP LLC	785.33		785.33
146	146730	A/R Assoc Co - Northwind	4.30		4.30
146	146735	A/R Assoc Co -C/E Steam	599.34		599.34
146	146745	A/R Assoc Co - Hopkinton LNG	290.01		290.01
146	146750	A/R Assoc. NSTAR Communications	606.56		606.56
146		Reclass		(2,026,677.00)	(2,026,677.00)
146 Total			15,315,123.93	(2,026,677.00)	13,288,446.93
154	154010	General materials and supplies	1,573,856.42		1,573,856.42
154 Total			1,573,856.42	-	1,573,856.42
165	165100	Property tax	29,712.92		29,712.92
165	165140	Prepaid State Franch	905,907.32		905,907.32
165 Total			935,620.24	-	935,620.24
172	172010	Rents Receivable-Oracle Rec	227.91		227.91
172	172020	Rents - manually billed	12,408.00		12,408.00
172 Total			12,635.91	-	12,635.91
173	173040	Accd unbilled rev dist	921,155.00		921,155.00
173	173500	Accrued Unbilled Transition Rev.	207,221.00		207,221.00
173 Total			1,128,376.00	-	1,128,376.00
181	181020	6.662% Bank loan expense of issue	28,432.19		28,432.19
181	181060	Unamort Debt Exp Ser H	5,540.69		5,540.69
181 Total			33,972.88	-	33,972.88
182	182305	Reg Asset - Altresco Buyout	28,655,010.00		28,655,010.00
182	182340	Conn Yankee regulatory asset	25,862,000.00		25,862,000.00
182	182345	Maine Yankee regulatory asset	10,537,000.00		10,537,000.00
182	182375	Rate design adj - transition chg	(97,500.00)		(97,500.00)
182	182480	Yankee Atomic regulatory asset	1,842,000.00		1,842,000.00

FERC	ACCOUNT	SDESC	6/30/2005 ACTUAL	Reclass	6/30/2005 FERC AMT
182	182612	Pension/PBOP deferral elect	1,943,970.61		1,943,970.61
182	182613	Pension/PBOP carrying charge elect	617,604.00		617,604.00
182	182614	PAM sales differential elect	(185,968.30)		(185,968.30)
182	182820	Power contracts buy-out costs	26,135.55		26,135.55
182	182872	Deferred transition revenues	10,568,000.05		10,568,000.05
182	182873	Deferred basic service	1,278,000.25		1,278,000.25
182	182874	Deferred transmission revenues	12,567,000.00		12,567,000.00
182	182876	Reg asset-transm accrual	1,907,264.00		1,907,264.00
182	182950	Pension Reg Asset Exp > Rates	(18,554.00)		(18,554.00)
182 Total			95,501,962.16	-	95,501,962.16
185	185010	Temporary service plant	(33,327.05)		(33,327.05)
185 Total			(33,327.05)	-	(33,327.05)
186	186081	Env Response Costs	1,479.83		1,479.83
186	186110	Reimb intercon study costs	9,999.69		9,999.69
186	186251	Costs to Achieve	5,703,537.54		5,703,537.54
186	186261	Purchase Acct-PBOP	3,733,181.85		3,733,181.85
186	186321	Billing Work-Progress	210,698.36		210,698.36
186	186580	Acc amort CTA - deductible	(2,362,780.00)		(2,362,780.00)
186	186590	Acc amort CTA - nondeductible	(610,298.00)		(610,298.00)
186	186660	Goodwill	16,694,716.00		16,694,716.00
186	186670	Regulatory commission expense	(90,646.00)		(90,646.00)
186	186870	Market Issues - Legal/consulting costs	69,576.75		69,576.75
186 Total			23,359,466.02	-	23,359,466.02
190		Reclass		4,046,272.00	4,046,272.00
190 Total			-	4,046,272.00	4,046,272.00
201	201010	Common stock par value	(8,665,000.00)		(8,665,000.00)
201 Total			(8,665,000.00)	-	(8,665,000.00)
207	207010	Premium on common stock	(54,128,522.00)		(54,128,522.00)
207	207020	Stock incentive plan	(3,549.96)		(3,549.96)
207 Total			(54,132,071.96)	-	(54,132,071.96)
216	216020	Retained earnings beginning balance	(24,045,463.82)		(24,045,463.82)
216	438010	Common Stock Dividends Declared	2,500,000.00		2,500,000.00
216		6 Months June 30 Net Income	(3,766,834.58)		(3,766,834.58)
216 Total			(25,312,298.40)		(25,312,298.40)
224	224308	L/T Debt Series B Note	(20,000,000.00)		(20,000,000.00)
224	224310	L/T Debt Series H Note	(5,000,000.00)		(5,000,000.00)
224 Total			(25,000,000.00)	-	(25,000,000.00)
229	229010	Customer refund reserve	(1,731,717.00)		(1,731,717.00)
229 Total			(1,731,717.00)	-	(1,731,717.00)
231	231010	Notes payable	(17,400,000.00)		(17,400,000.00)
231 Total			(17,400,000.00)	-	(17,400,000.00)
232	232015	A/P Bad Debt Recoveries	(541.47)		(541.47)
232	232300	A/P - Manual Accruals	(456,241.74)		(456,241.74)
232	232365	Transm accrual-two months	(1,907,264.00)		(1,907,264.00)
232	232370	Purchased power accruals	(10,161,619.37)		(10,161,619.37)
232	232380	Purch power transmission accruals	(302,875.00)		(302,875.00)
232	232500	A/P Cr Balance Refunds	(19,515.62)		(19,515.62)
232	232520	A/P Clear-Dishon Check	22,425.93		22,425.93
232	232580	A/P Renewables	(73,207.84)		(73,207.84)
232	232610	Passport Materials not invoiced	603.00		603.00
232	232980	Accounts Payable-Comp Supplier	2,658.99		2,658.99
232 Total			(12,895,577.12)	-	(12,895,577.12)
234	234002	A/P Assoc. Co-NSTAR	(13,050.33)		(13,050.33)
234	234120	A/P Assoc. Co-Boston Edison	(2,039,289.63)		(2,039,289.63)
234	234150	A/P Assoc. Co-Corn Electric	(1,600,173.84)		(1,600,173.84)
234	234170	A/P Assoc. Co-Canal Electric	0.10		0.10
234	234200	A/P assoc Co - CG	(1,825,676.57)		(1,825,676.57)
234	234300	A/P Assoc. Co-NSTAR Svcs	605,071.06		605,071.06
234	234660	A/P Assoc MP	(15,900,000.00)		(15,900,000.00)
234	234730	A/P Assoc. Co-Northwind	(0.90)		(0.90)
234		Reclass		2,026,677.00	2,026,677.00
234 Total			(20,773,120.11)	2,026,677.00	(18,746,443.11)
235	235010	Customer deposits	(349,658.00)		(349,658.00)
235	235110	Construction Deposits	(348,327.90)		(348,327.90)
235 Total			(697,985.90)	-	(697,985.90)
236	236030	Federal income tax	(2,500,400.27)		(2,500,400.27)
236 Total			(2,500,400.27)	-	(2,500,400.27)
237	237010	Customer deposits accrued interest	(2,761.57)		(2,761.57)
237	237090	Short-term debt accrued interest	(3,761.87)		(3,761.87)
237	237095	Int Accr Ser B Notes	(254,000.00)		(254,000.00)

FERC	ACCOUNT	SDESC	6/30/2005 ACTUAL	Reclass	6/30/2005 FERC AMT
237	237170	Int Accr Ser H Notes	(145,000.00)		(145,000.00)
237	237601	Int Accrl Assoc M.P.	(45,686.81)		(45,686.81)
237 Total			(451,210.25)	-	(451,210.25)
241	241180	Sales Tax - Recov	(1,536.18)		(1,536.18)
241	241190	Mass Sales Tax Pay Dir	(246,724.16)		(246,724.16)
241 Total			(248,260.34)	-	(248,260.34)
242	242015	AMR CFI deferral	(18,720.09)		(18,720.09)
242	242140	Miscellaneous accrued liabilities	(400,000.00)		(400,000.00)
242	242305	Current portion Altresco liability	(10,019,500.00)		(10,019,500.00)
242	242320	Current portion power contracts payable	(8,498,000.00)		(8,498,000.00)
242	242360	General liab self-insurance reserve	(400,000.00)		(400,000.00)
242	242380	Sales tax reserve	(100,000.31)		(100,000.31)
242	242800	Int Payable Tax Defic	(110,570.86)		(110,570.86)
242	242635	Deferred pole attach revenue	(8,502.00)		(8,502.00)
242	242720	Stranded Cost Customer Liabili	(7,655,993.64)		(7,655,993.64)
242	242800	Cable & teleph Surveys	25,536.00		25,536.00
242	242930	Deferred DSM revenue	(4,267,796.59)		(4,267,796.59)
242		Reclass		7,655,994.00	(7,655,994.00)
242 Total			(31,453,547.49)	7,655,994.00	(39,109,541.49)
252	252040	Sithe Edgar	533.98		533.98
252	252070	Cambridge - Mirant Kendall	2,470.55		2,470.55
252	252100	Customer Advance Construction	(435,622.00)		(435,622.00)
252	252200	Cust Adv Con P 6/92	(19,447.00)		(19,447.00)
252 Total			(452,064.47)	-	(452,064.47)
253	253030	Sale of property clearing	2,672.50		2,672.50
253	253305	Altresco buyout liability	(18,635,510.00)		(18,635,510.00)
253	253310	Contribs in aid of construction	(35,867.00)		(35,867.00)
253	253335	Environ Reserve-Chandonnet,Lowell	(25,000.00)		(25,000.00)
253	253400	Yankee Atomic contract payable	(1,165,000.00)		(1,165,000.00)
253	253451	Purchase Accounting-Pension	(3,441,394.55)		(3,441,394.55)
253	253500	Conn Yankee contract payable	(20,462,000.00)		(20,462,000.00)
253	253505	Maine Yankee contract payable	(8,116,000.00)		(8,116,000.00)
253	253760	CIAAC adder	(381,860.18)		(381,860.18)
253 Total			(52,259,959.23)	-	(52,259,959.23)
254	254020	FASB 109 regulatory liability	(590,899.00)		(590,899.00)
254				(7,655,994.00)	7,655,994.00
254 Total			(590,899.00)	(7,655,994.00)	7,065,095.00
255	255010	Investment tax credits	(895,163.26)		(895,163.26)
255 Total			(895,163.26)	-	(895,163.26)
282	282010	Federal ADIT Liberalized Prop	(19,175,653.09)		(19,175,653.09)
282	282020	Mass ADIT liberalized Prop	(6,698,560.71)		(6,698,560.71)
282 Total			(25,874,213.80)	-	(25,874,213.80)
283	283010	Federal ADIT Non Prop	(4,953,980.84)		(4,953,980.84)
283	283020	Mass ADIT Non Property	(1,544,564.90)		(1,544,564.90)
283	283030	***FASB109 accum def income tax	389,859.00		389,859.00
283		Reclass		(4,046,272.00)	(4,046,272.00)
283 Total			(6,108,686.74)	(4,046,272.00)	(10,154,958.74)
Grand Total			0.00	-	(0.00)

FERC	ACCOUNT	DESC	6/30/2005 ACTUAL	12/31/2004 ACTUAL	6/30/2004 ACTUAL	Total 6/30/05	reclass 6/30/05	reclass 12/31/04	reclass 6/30/04	Test Year Total
403	403150	Distribution depreciation	2,176,909.60	4,042,009.16	2,151,314.10	4,067,604.66				4,067,604.66
403	403160	Transmission depreciation	462,861.66	683,274.64	279,776.94	866,359.36				866,359.36
403	403180	General depreciation	38,368.92	86,077.80	36,369.48	88,077.24				88,077.24
403 Total			2,678,140.18	4,811,361.60	2,467,460.52	5,022,041.26				5,022,041.26
404	404060	Software amortization	266,056.38	313,580.68	146,823.90	432,813.16				432,813.16
404 Total			266,056.38	313,580.68	146,823.90	432,813.16				432,813.16
407	407320	Goodwill Amort	244,314.00	488,628.00	244,314.00	488,628.00				488,628.00
407	407330	CTA amort non-deductible	5,466.00	10,932.00	5,466.00	10,932.00				10,932.00
407	407340	CTA amort deductible	322,188.00	644,376.00	322,188.00	644,376.00				644,376.00
407 Total			571,968.00	1,143,936.00	571,968.00	1,143,936.00				1,143,936.00
408	408000	Allocated payroll taxes expense	30,984.78	48,230.48	9,546.01	69,669.25				69,669.25
408	408211	Taxes 108 Sherman	1,251.87	-	-	1,251.87		2,148.00		3,399.87 nonutility-408.2
408	408212	Taxes Broadway + Portland	4,383.24	-	-	4,383.24		7,980.00	(3,960.00)	8,403.24 nonutility-408.2
408	408213	Taxes 375 Putnam-Rear	8,257.64	-	-	8,257.64		19,960.00	(9,906.00)	18,311.64 nonutility-408.2
408	408216	Taxes 179-181 Broadway	3,958.38	-	0	3,958.38		6,576.00	(3,264.00)	7,270.38 nonutility-408.2
408	408218	Taxes 379 Putham Ave	15,132.26	-	0	15,132.26		36,576.00	(18,156.00)	33,552.26 nonutility-408.2
408	408380	Other municipal property tax	870,740.09	1,762,692.97	828,091.97	1,805,341.09				1,805,341.09
408	408413	Taxes 180 Hampshire St	7,274.60	-	0	7,274.60		7,336.00	(3,642.00)	10,968.60 nonutility-408.2
408	408414	Taxes 134-136 Amory	2,290.66	-	0	2,290.66		4,932.00	(2,448.00)	4,774.66 nonutility-408.2
408	408416	Taxes 126 Amory	997.48	-	0	997.48		2,140.00	(1,062.00)	2,075.48 nonutility-408.2
408	408570	Reallocation Offset	22,486.96	49,226.77	22,105.46	49,608.27				49,608.27
408	408880	Payroll taxes - transferred credit	(41,627.99)	(96,996.87)	(50,350.34)	(88,274.52)				(88,274.52)
408	408902	Inter Co Reclass Payroll Taxes	34,806.26	49,686.25	22,945.67	61,546.84				61,546.84
408	408920	Payroll Taxes - billed from Service Co	205,784.78	289,396.49	183,454.33	311,726.94				311,726.94
408 Total			1,166,721.01	2,102,236.09	1,015,793.10	2,253,164.00		87,648.00	(42,438.00)	2,298,374.00
409	409100	Federal income tax	-	(5,487,255.00)	-	(5,487,255.00)				(5,487,255.00)
409	409200	Federal income tax				-	-9466	116308	-29783	77,059.00 nonutility-409.2
409	409101	Federal Income Tax OFA	(948,278.56)	1,332,428.84	356,204.13	27,946.15	9,466.00	(116,308.00)	29783	(49,112.85)
409	409110	Massachusetts income tax	-	(731,929.00)	-	(731,929.00)				(731,929.00)
409	409200	Massachusetts income tax				-	2827	34073	-11785	25,115.00 nonutility-409.2
409	409111	Mass Income Tax OFA	(188,351.75)	264,653.55	70,751.01	5,550.79	(2,827.00)	(34,073.00)	11785	(19,564.21)
409 Total			(1,136,630.31)	(4,622,101.61)	426,955.14	(6,185,687.06)				(6,185,687.06)
410	410100	Deferred Mass income tax other	93,012.00	1,034,677.00	93,012.00	1,034,677.00				1,034,677.00
410	410101	Non-prop dtd Mass Inc Tax OFA	651,721.02	(185,666.65)	118,027.00	348,027.37				348,027.37
410	410110	Deferred FIT liberalized deprec	-	508,684.00	-	508,684.00				508,684.00
410	410111	Deferred FIT liberalized depr OFA	(221,176.64)	4,647,419.00	1,385,249.28	3,040,993.08				3,040,993.08
410	410120	Deferred federal income tax other	(93,168.00)	4,724,933.00	(32,868.00)	4,664,633.00				4,664,633.00
410	410121	Deferred federal income tax OFA	3,257,467.05	(989,999.70)	564,679.29	1,702,788.06				1,702,788.06
410	410130	Dfd Mass inc tax liberalized deprec	-	(130,092.00)	-	(130,092.00)				(130,092.00)
410	410131	Prop dtd Mass Inc Tax OFA	(43,931.19)	923,093.15	275,145.00	604,016.96				604,016.96
410 Total			3,643,924.24	10,533,047.80	2,403,244.57	11,773,727.47				11,773,727.47
411	411410	Investment tax credit amortization	(28,476.00)	(56,951.92)	(28,476.00)	(56,951.92)				(56,951.92)
411 Total			(28,476.00)	(56,951.92)	(28,476.00)	(56,951.92)				(56,951.92)
417	417010	Wireless communications revenue	-	1,381.70	1,381.70	-				-
417	417020	Substation/PNU Rent Revenue	-	(4,362.50)	(4,362.50)	-				-
417	417030	Right of Way Rent Revenue	-	(2,125.00)	(2,125.00)	-				-
417 Total			-	(5,105.80)	(5,105.80)	-				-
418	418100	Yankee Atomic equity earnings	720.00	(1,608.60)	(1,888.60)	1,000.00				1,000.00
418	418105	Maine Yankee	(38,024.70)	(95,919.17)	(48,368.31)	(85,575.56)				(85,575.56)
418	418110	Conn Yankee equity earnings	(59,420.00)	(127,939.66)	(70,319.66)	(117,040.00)				(117,040.00)
418	418201	Rent Revenue	(6,000.00)	(12,000.00)	(6,000.00)	(12,000.00)				(12,000.00)
418	418202	Rent Broadway+Portland	(14,673.00)	(29,346.00)	(14,673.00)	(29,346.00)				(29,346.00)
418	418211	Taxes 108 Sherman	-	2,148.00	-	2,148.00		(2,148.00)		-
418	418212	Taxes Broadway+Portland	-	7,980.00	3,960.00	4,020.00		(7,980.00)	3,960.00	-

FERC	ACCOUNT	DESC	6/30/2005 ACTUAL	12/31/2004 ACTUAL	6/30/2004 ACTUAL	Total 6/30/05	reclass 6/30/05	reclass 12/31/04	reclass 6/30/04	Test Year Total
418	418213	Taxes-375 Putnam-Rear	-	19,960.00	9,906.00	10,054.00		(19,960.00)	9,906.00	-
418	418216	Taxes 179-181 Broadway	-	6,576.00	3,264.00	3,312.00		(6,576.00)	3,264.00	-
418	418218	Taxes 379 Putnam Ave	-	36,576.00	18,156.00	18,420.00		(36,576.00)	18,156.00	-
418	418223	Deprec-Other Property	1,041.60	2,083.20	1,041.60	2,083.20				2,083.20
418	418241	Misc Exp 108 Sherman	-	1,307.83	174.42	1,133.41				1,133.41
418	418402	Rent-Inman Square	(8,100.00)	(16,200.00)	(8,100.00)	(16,200.00)				(16,200.00)
418	418413	Taxes 180 Hampshire St	-	7,336.00	3,642.00	3,694.00		(7,336.00)	3,642.00	-
418	418414	Taxes 134-136 Amory	-	4,932.00	2,448.00	2,484.00		(4,932.00)	2,448.00	-
418	418416	Taxes 126 Amory	-	2,140.00	1,062.00	1,078.00		(2,140.00)	1,062.00	-
418 Total			(124,456.10)	(191,974.40)	(105,695.55)	(210,734.95)		(87,648.00)	42,438.00	(255,944.95)
419	419001	Legal recoveries - interest	(8,603.87)	(4,558.92)	(1,502.68)	(11,660.11)				(11,660.11)
419	419030	Other interest income	(986.40)	(16,892.45)	(16,294.47)	(1,584.38)				(1,584.38)
419 Total			(9,590.27)	(21,451.37)	(17,797.15)	(13,244.49)				(13,244.49)
421	421010	Miscellaneous nonoperating income	15,609.65	(397,354.08)	5,471.19	(387,215.62)				(387,215.62)
421	421100	Gain on disposition of property	25,535.22	-	-	25,535.22				25,535.22
421	421710	Misc Income Allocated from Service Company	(10,843.23)	(13,514.82)	(5,758.66)	(18,599.39)				(18,599.39)
421 Total			30,301.64	(410,868.90)	(287.47)	(380,279.79)				(380,279.79)
426	426100	Donations	-	72,000.00	-	72,000.00				72,000.00
426	426710	Misc Exps billed from Service Company	35,625.62	(44,938.93)	(52,397.35)	43,084.04				43,084.04
426 Total			35,625.62	27,061.07	(52,397.35)	115,084.04				115,084.04
427	427010	Inter L/T Series D	217,500.00	435,000.00	217,500.00	435,000.00				435,000.00
427	427620	8% note due 2010 - Interest exp	762,000.00	1,524,000.00	762,000.00	1,524,000.00				1,524,000.00
427 Total			979,500.00	1,959,000.00	979,500.00	1,959,000.00				1,959,000.00
428	428365	Amort - Debt Discount	12,324.27	26,425.55	14,101.28	24,648.54				24,648.54
428 Total			12,324.27	26,425.55	14,101.28	24,648.54				24,648.54
430	430010	Money Pool Interest Expense	201,095.53	156,544.25	60,893.37	296,746.41				296,746.41
430 Total			201,095.53	156,544.25	60,893.37	296,746.41				296,746.41
431	431010	Int S/T Debt N/P -Banks	224,617.90	127,108.73	30,153.25	321,573.38				321,573.38
431	431012	Interest Cust Deposits	4,714.52	4,831.75	3,076.52	6,469.75				6,469.75
431	431020	Other Interest Charges	-	16,126.75	16,081.82	44.93				44.93
431	431080	Default Service Interest	(10,000.00)	(33,000.00)	(25,000.00)	(18,000.00)				(18,000.00)
431	431160	DSM Deferral Interest	47,021.52	71,583.80	34,437.09	84,168.23				84,168.23
431	431410	Return on def transition costs	(19,000.00)	109,000.00	22,290.00	67,710.00				67,710.00
431	431420	Return on defer std offer costs	-	(29,000.00)	(28,000.00)	(1,000.00)				(1,000.00)
431	431440	Return on def transm costs	(136,000.00)	(59,000.00)	(1,000.00)	(194,000.00)				(194,000.00)
431	431580	Int Exp Federal Income Tax Deficit	-	(240,254.00)	-	(240,254.00)				(240,254.00)
431	431590	Int Expense-State Franchise Tax Defic	5,055.20	-	-	5,055.20				5,055.20
431	431710	Pru sublease Int. exp billed from Service company	179.89	-	-	179.89				179.89
431 Total			116,589.03	(32,602.97)	52,038.68	31,947.38				31,947.38
432	432010	AFUDC - borrowed funds	(186,994.33)	(103,805.18)	(64,445.95)	(226,353.56)				(226,353.56)
432 Total			(186,994.33)	(103,805.18)	(64,445.95)	(226,353.56)				(226,353.56)
440	440060	Residential En Cons	(234,460.11)	(468,212.75)	(227,322.97)	(475,349.89)				(475,349.89)
440	440070	Residential Renewable	(46,905.46)	(93,656.91)	(45,482.04)	(95,080.33)				(95,080.33)
440	440120	Resid billed dist	(3,879,216.99)	(7,661,753.39)	(3,712,553.22)	(7,828,417.16)				(7,828,417.16)
440	440130	Resid unbilled dist	63,418.00	(11,845.00)	(20,480.00)	72,053.00				72,053.00
440	440140	Resid billed trans	(2,395,105.36)	(3,258,293.66)	(1,600,254.36)	(4,053,144.66)				(4,053,144.66)
440	440160	Res. Transition Revenue	(216,870.62)	(646,407.60)	(311,554.07)	(551,724.15)				(551,724.15)
440	440162	Res. Unbilled Transition Rev	13,800.00	(19,360.00)	(12,415.00)	6,855.00				6,855.00
440	440170	Res std offer revenue	(1,154,709.92)	(5,656,485.08)	(2,919,742.16)	(3,891,452.84)				(3,891,452.84)
440	440175	Res Default Service Adjustment	(24,388.83)	(485,065.68)	(230,127.64)	(279,326.87)				(279,326.87)
440	440180	Res default service	(5,272,790.14)	(5,924,794.81)	(2,721,826.94)	(8,475,758.01)				(8,475,758.01)
440	440195	Resid billed PAM	(116,722.54)	(230,671.31)	(109,581.12)	(237,812.73)				(237,812.73)
440	440196	Deferred PAM Elect	102,044.59	83,923.71	(143,224.51)	329,192.81				329,192.81
440 Total			(13,161,907.38)	(24,372,622.48)	(12,054,564.03)	(25,479,965.83)				(25,479,965.83)

FERC	ACCOUNT	DESC	6/30/2005 ACTUAL	12/31/2004 ACTUAL	6/30/2004 ACTUAL	Total 6/30/05	reclass 6/30/05	reclass 12/31/04	reclass 6/30/04	Test Year Total
442	442330	Comm billed dist	(6,110,123.39)	(12,239,407.05)	(5,882,674.15)	(12,466,856.29)				(12,466,856.29)
442	442340	Comm unbilled dist	(70,615.00)	93,429.00	(29,599.00)	52,413.00				52,413.00
442	442350	Ind billed Dist	(65,249.15)	(149,886.23)	(75,671.25)	(139,464.13)				(139,464.13)
442	442360	Ind unbilled dist	477.00	3,381.00	(533.00)	4,391.00				4,391.00
442	442380	Comm billed trans	(12,099,375.88)	(17,123,028.51)	(8,152,935.41)	(21,069,468.98)				(21,069,468.98)
442	442395	Comm billed PAM	(861,324.49)	(1,677,064.35)	(755,939.37)	(1,782,449.47)				(1,782,449.47)
442	442400	Ind billed trans	(188,250.13)	(332,057.91)	(169,511.69)	(350,796.35)				(350,796.35)
442	442430	Ind. Transition Revenue	(37,566.26)	(107,292.88)	(53,258.28)	(91,600.86)				(91,600.86)
442	442435	Ind. Unbilled Transition Rev	861.00	1,947.00	(1,939.00)	4,747.00				4,747.00
442	442450	Comm S. O. Revenue	(9,947,114.65)	(48,082,422.41)	(23,050,754.03)	(34,978,783.03)				(34,978,783.03)
442	442455	Comm Default Service Adjustment	(154,056.10)	(3,696,235.86)	(1,728,632.50)	(2,121,659.46)				(2,121,659.46)
442	442460	Ind S. O. Revenue	(193,615.12)	(1,101,101.84)	(513,312.33)	(781,404.63)				(781,404.63)
442	442465	Ind Default Service Adjustment	(3,631.16)	(76,969.26)	(38,414.12)	(42,186.30)				(42,186.30)
442	442480	Comm default service revenue	(24,760,385.61)	(24,466,123.71)	(10,846,151.32)	(38,380,358.00)				(38,380,358.00)
442	442490	Ind default service revenue	(223,779.28)	(209,324.69)	(143,065.17)	(290,038.80)				(290,038.80)
442	442495	Ind billed PAM	(17,512.92)	(35,162.86)	(17,121.97)	(35,553.81)				(35,553.81)
442	442500	Comm. Transition Revenue	(1,790,624.66)	(4,913,287.12)	(2,297,022.53)	(4,406,889.25)				(4,406,889.25)
442	442505	Comm Unbilled Transition Rev.	10,598.00	(29,226.00)	(128,121.00)	109,493.00				109,493.00
442	442520	Commercial En Cons	(1,762,360.51)	(3,536,008.31)	(1,678,434.59)	(3,619,934.23)				(3,619,934.23)
442	442530	Commercial Renewable	(352,482.28)	(707,243.50)	(335,718.25)	(724,007.53)				(724,007.53)
442	442540	Industrial En Cons	(35,823.26)	(74,084.45)	(37,711.44)	(72,196.27)				(72,196.27)
442	442550	Industrial Renewable	(7,164.70)	(14,816.78)	(7,542.23)	(14,439.25)				(14,439.25)
442 Total			(58,669,118.55)	(118,471,986.72)	(55,944,062.63)	(121,197,042.64)				(121,197,042.64)
444	444040	Street light dist	(260,260.02)	(963,918.98)	(479,940.68)	(744,238.32)				(744,238.32)
444	444050	Street light trans	(86,665.60)	(116,277.24)	(57,413.98)	(145,528.86)				(145,528.86)
444	444060	Street Light Transition Revenue	(10,078.79)	(30,662.72)	(15,840.97)	(24,900.54)				(24,900.54)
444	444070	St. lighting std offer revenue	(105,515.29)	(512,943.69)	(247,997.12)	(370,461.86)				(370,461.86)
444	444075	St. Lighting Default Service Adjustment	(1,114.88)	(20,298.38)	(8,890.07)	(12,523.19)				(12,523.19)
444	444080	St Light En Cons	(10,215.13)	(20,727.97)	(9,963.20)	(20,979.90)				(20,979.90)
444	444090	St Light Renewable	(2,044.13)	(4,147.07)	(1,993.49)	(4,197.71)				(4,197.71)
444	444095	Street lighting PAM	(4,984.64)	(7,723.21)	(4,133.04)	(8,574.81)				(8,574.81)
444	444100	St lighting default service revenue	(62,577.27)	(10,769.69)	(3,732.10)	(69,614.86)				(69,614.86)
444 Total			(543,455.75)	(1,687,468.95)	(829,904.65)	(1,401,020.05)				(1,401,020.05)
447	447640	Misc short term sales capacity	(3,081,527.19)	(6,508,446.94)	(3,530,484.00)	(6,059,490.13)				(6,059,490.13)
447 Total			(3,081,527.19)	(6,508,446.94)	(3,530,484.00)	(6,059,490.13)				(6,059,490.13)
449	449100	Customer refunds	(12,283.00)	1,230,355.85	(56,440.15)	1,274,513.00				1,274,513.00
449 Total			(12,283.00)	1,230,355.85	(56,440.15)	1,274,513.00				1,274,513.00
450	450010	Interest charge revenue	(92,040.69)	(194,510.27)	(88,038.05)	(198,512.91)				(198,512.91)
450 Total			(92,040.69)	(194,510.27)	(88,038.05)	(198,512.91)				(198,512.91)
454	454002	Assoc CO. Rents-NSTAR Parent	(5,638.83)	(11,465.33)	(5,533.05)	(11,571.11)				(11,571.11)
454	454130	Assoc CO. Rents - Harbor Electric	(403.77)	(820.53)	(442.65)	(781.65)				(781.65)
454	454170	Assoc Co line 1-Canal	(127.84)	(259.88)	(131.90)	(255.82)				(255.82)
454	454180	Pole Attachments - CATV	(9,766.98)	(14,997.93)	(14,997.93)	(9,766.98)				(9,766.98)
454	454717	Assoc CO. Rents-Matep, LLC	(1,605.06)	(3,263.31)	(1,600.93)	(3,267.44)				(3,267.44)
454	454730	Assoc Co. Rents - Northwind	(4.30)	(8.68)	(10.48)	(2.50)				(2.50)
454	454735	Assoc CO. Rents - Steam	(1,224.93)	(2,490.25)	(1,241.07)	(2,474.11)				(2,474.11)
454	454745	Assoc CO. Rents - Hopkinton LNG	(592.73)	(1,205.31)	(568.73)	(1,229.31)				(1,229.31)
454	454750	Assoc Co Rent Elect Prop. - Nstar Communic.	(1,239.69)	(2,520.27)	(1,254.23)	(2,505.73)				(2,505.73)
454	454780	Mirant Kendall- Facilities	(249,115.00)	(502,664.00)	(254,666.00)	(497,113.00)				(497,113.00)
454	454910	Rent-Prop In Operation - Manually billed rents	(39,565.00)	(72,908.16)	(38,250.16)	(74,223.00)				(74,223.00)
454 Total			(309,284.13)	(612,603.65)	(318,697.13)	(603,190.65)				(603,190.65)
456	456010	Other operating revenues	(13,924.50)	(27,849.00)	-	(41,773.50)				(41,773.50)
456	456017	DSM incentive	(230,574.00)	(260,091.00)	(98,225.00)	(392,440.00)				(392,440.00)
456	456102	Acct Reactivation Rev	(80.00)	(1,223.57)	(213.57)	(1,090.00)				(1,090.00)

FERC	ACCOUNT	DESC	6/30/2005 ACTUAL	12/31/2004 ACTUAL	6/30/2004 ACTUAL	Total 6/30/05	reclass 6/30/05	reclass 12/31/04	reclass 6/30/04	Test Year Total
456	456122	Transm Chgs - Muni	(586,271.78)	(1,203,151.49)	(525,818.53)	(1,263,604.74)				(1,263,604.74)
456	456160	Assoc Co Revenue	-	-	(4,460,934.00)	4,460,934.00			(4,460,934.00)	-
456	456470	Cancel Small Final Customer Balance	7.77	8,619.86	(160.92)	8,788.55				8,788.55
456	456475	Customer Goodwill Adjustment	2,389.22	1,453.73	1,215.52	2,627.43				2,627.43
456	456490	Hydro Quebec Energy Line Usage	(44,359.97)	(136,665.43)	(61,785.34)	(119,240.06)				(119,240.06)
456	456690	RNS Transmission revenue	(1,617,081.27)	(3,379,919.48)	(1,640,047.23)	(3,356,953.52)				(3,356,953.52)
456	456770	PAM return on prepaid & defd	44,396.00	(2,256,704.00)	16,806.00	(2,229,114.00)				(2,229,114.00)
456	456780	Bad check charge revenue	(3,712.00)	(6,392.00)	(2,984.00)	(7,120.00)				(7,120.00)
456	456810	Call Center Adjustments	565.14	5,405.77	5,405.77	565.14				565.14
456	456820	DTE Adjustments	-	142.23	-	142.23				142.23
456	456830	Prudential sub lease	(64,144.15)	-	-	(64,144.15)				(64,144.15)
456	456850	Power System Services Revenue	(876.00)	(475.00)	(475.00)	(876.00)				(876.00)
456	456980	Interval data revenue	-	(7,273.80)	(323.28)	(6,950.52)				(6,950.52)
456 Total			(2,513,665.54)	(7,264,123.18)	(6,767,539.58)	(3,010,249.14)			(4,460,934.00)	(7,471,183.14)
555	555010	Misc purchased power energy	7,413,587.01	29,729,589.22	14,940,934.01	22,202,242.22				22,202,242.22
555	555016	Residual Value Credit	(850,002.00)	(1,759,004.00)	(909,002.00)	(1,700,004.00)				(1,700,004.00)
555	555025	Deferred transmission revenue	(2,828,000.00)	(7,575,378.69)	802,621.00	(11,205,999.69)				(11,205,999.69)
555	555026	Deferred transition revenue	(7,911,585.00)	(6,426,885.08)	(3,956,692.95)	(10,381,777.13)				(10,381,777.13)
555	555305	Altresco buyout	-	2,505,000.00	-	2,505,000.00				2,505,000.00
555	555870	Def std offer revenue	-	4,000.00	(358,000.00)	362,000.00				362,000.00
555	555880	Purchased Power Default Service Cost	31,382,947.94	31,633,863.29	14,279,346.43	48,737,464.80				48,737,464.80
555	555890	Def default serv rev	(880,000.25)	3,326,999.71	1,512,000.00	934,999.46				934,999.46
555	555916	Southern Energy SOS	3,583,672.01	20,954,371.17	10,332,064.67	14,205,978.51				14,205,978.51
555	555932	Altresco - Pittsfield	-	11,388,440.00	7,942,697.00	3,445,743.00				3,445,743.00
555	555933	NEPEX (Tot Pool)	103,451.07	612,487.40	301,835.66	414,102.81				414,102.81
555	555936	VT Yankee	2,174,429.54	4,123,432.22	1,799,586.04	4,498,275.72				4,498,275.72
555 Total			32,188,500.32	88,516,915.24	46,687,389.86	74,018,025.70				74,018,025.70
556	556010	NEPOOL expense	-	2,380.72	5,900.14	(3,519.42)				(3,519.42)
556	556710	System Control Exp. Billed from SVC Co	22,945.09	25,709.80	12,260.64	36,394.25				36,394.25
556 Total			22,945.09	28,090.52	18,160.78	32,874.83				32,874.83
557	557051	Company Use	-	(455.84)	(455.84)	-				-
557	557053	Renewables Expense	408,596.57	819,864.26	390,736.01	837,724.82				837,724.82
557	557055	MA Yankee - Decommissioning	545,078.64	1,098,046.16	551,461.10	1,091,663.70				1,091,663.70
557	557057	Maine Yankee - Decommissioning	1,148,004.58	2,360,669.58	1,068,175.06	2,440,499.10				2,440,499.10
557	557058	CT Yankee - Decommissioning	2,486,121.58	1,993,594.23	1,030,736.44	3,448,979.37				3,448,979.37
557	557110	MWRA Mass renewable certificates	31,354.75	248,031.37	569.59	278,816.53				278,816.53
557	557305	Altresco Buyout	7,515,000.00	-	-	7,515,000.00				7,515,000.00
557	557710	Other Exp. Billed from SVC Co	-	735.70	-	735.70				735.70
557 Total			12,134,156.12	6,520,485.46	3,041,222.36	15,613,419.22				15,613,419.22
560	560110	Transmission Admin & Eng Labor	-	2,224.00	2,224.00	-				-
560	560570	Reallocation offset	3,529.30	(24,363.02)	(32,322.00)	11,488.28				11,488.28
560	560710	Oper supv & eng billed from Svc Co	30,595.61	57,712.52	26,287.98	62,020.15		5,903.00	(3,810.00)	64,113.15
560 Total			34,124.91	35,573.50	(3,810.02)	73,508.43		5,903.00	(3,810.00)	75,601.43
561	561110	Load dispatching	-	210.30	-	210.30				210.30
561	561140	NEPOOL Scheduling and Dispatch costs	215,511.38	435,685.54	187,281.17	463,915.75			11929.43	475,845.18
561	561901	Inter Co Reclass Transm load dispatch	22,766.71	24,985.67	17,861.41	29,890.97				29,890.97
561 Total			238,278.09	460,881.51	205,142.58	494,017.02			11929.43	505,946.45
562	562240	SUBSTA INSPECTION TRANSM	4,060.18	2,278.47	-	6,338.65				6,338.65
562	562250	SUBSTA TROUBLE TRANSM	-	(104.51)	1,210.75	(1,315.26)				(1,315.26)
562	562280	SUBSTA OPER CARE & SUP TRANSM	1,156.27	-	-	1,156.27				1,156.27
562	562290	SUBSTA REPLACE LAMOS TRANSM	-	201.96	-	201.96				201.96
562	562570	Reallocation offset	6,990.43	1,377.47	0	8,367.90			-110	8,257.90
562	562901	Inter Co Reclass Transm station exps	105.14	-	0	105.14				105.14
562 Total			12,312.02	3,753.39	1210.75	14,854.66			-110	14,744.66

<u>FERC</u>	<u>ACCOUNT</u>	<u>DESC</u>	<u>6/30/2005</u> <u>ACTUAL</u>	<u>12/31/2004</u> <u>ACTUAL</u>	<u>6/30/2004</u> <u>ACTUAL</u>	<u>Total</u> <u>6/30/05</u>	<u>reclass</u> <u>6/30/05</u>	<u>reclass</u> <u>12/31/04</u>	<u>reclass</u> <u>6/30/04</u>	<u>Test Year</u> <u>Total</u>
563	563400	OH Lines Inspection	-	2,721.30	0	2,721.30				2,721.30
563	563710	OH line expenses billed to Svc Co	21.81	-	0	21.81				21.81
563	563901	Inter Co Reclass transm OH line exp	-	-	(8,119.43)	8,119.43			-8119.43	-
563 Total			21.81	2,721.30	(8,119.43)	10,862.54			-8119.43	2,743.11
564	564570	Reallocation offset	-	2,641.73	0	2,641.73			-51	2,590.73
564 Total			-	2,641.73	0	2,641.73			-51	2,590.73
565	565060	NEPOOL reliability EHV transmission	51,764.88	94,004.11	41,909.41	103,859.58				103,859.58
565	565120	Assoc Co. Trans of Elect	1,817,250.00	3,634,500.00	1,817,250.00	3,634,500.00				3,634,500.00
565	565150	Assoc Co Transm LNS	144,540.54	289,084.57	144,544.03	289,081.08				289,081.08
565	565160	Assoc CO. Trans LNS	-	-	4,460,934.00	(4,460,934.00)		4,460,934.00		-
565	565170	Assoc Co Trans Elect : Others	321,415.87	800,067.76	421,891.94	699,591.69				699,591.69
565	565210	Congestion costs	7,102,215.12	11,002,378.05	554,562.25	17,550,030.92				17,550,030.92
565	565590	RNS transmission payment	2,975,472.48	5,214,143.49	2,047,777.50	6,141,838.47				6,141,838.47
565 Total			12,412,658.89	21,034,177.98	9,488,869.13	23,957,967.74		4,460,934.00		28,418,901.74
566	566730	Misc transmission exp billed from Svc C	6,088.80	5,870.55	1,702.68	10,256.67				10,256.67
566 Total			6,088.80	5,870.55	1,702.68	10,256.67				10,256.67
568	568570	Reallocation offset	4,712.00	24,549.00	17,022.00	12,239.00				12,239.00
568 Total			4,712.00	24,549.00	17,022.00	12,239.00				12,239.00
570	570010	SUBSTA MAINT XFMR;S TRANSM	-	183.39	183.39	-				-
570	570020	Sub Maint Bus Swit Swgr Transm CM	155.27	-	-	155.27				155.27
570	570040	Substa Maint Breakers Transm CM	-	2,076.54	982.52	1,094.02				1,094.02
570	570050	MISC ELEC EQUIP	878.60	501.06	-	1,379.66				1,379.66
570	570240	SUBSTA ENVIO TRANSM	2,000.00	-	-	2,000.00				2,000.00
570	570710	Maint station equip billed from Svc Co	-	356.79	0	356.79				356.79
570	570901	Inter Co reclass transm maint sta equip	652.03	-	0	652.03				652.03
570 Total			3,685.90	3,117.78	1165.91	5,637.77				5,637.77
571	571330	Maint of OH Conductors	(280.34)	-	0	(280.34)				(280.34)
571	571710	Maint OH lines billed from Svc Co	(11,182.33)	15,129.11	999.53	2,947.25				2,947.25
571	571901	Inter Co reclass transm maint oh lines	(847.99)	7.46	1,874.98	(2,715.51)				(2,715.51)
571 Total			(12,310.66)	15,136.57	2,874.51	(48.60)				(48.60)
572	572320	SUBSTA PTC UG COND & DEVICES	-	3,708.45	2,116.32	1,592.13				1,592.13
572	572901	Inter Co reclass transm maint ug lines	1,434.54	-	-	1,434.54				1,434.54
572 Total			1,434.54	3,708.45	2,116.32	3,026.67				3,026.67
580	580110	Operation superv. and engineering	(338.79)	7,785.27	(13,919.87)	21,366.35				21,366.35
580	580130	Operation superv. and engineering	(838.56)	-	-	(838.56)				(838.56)
580	580160	Operation superv. and engineering	(1,248.00)	1,248.00	-	-				-
580	580420	Dist Operation supervision - Fleet	166,512.96	309,364.93	176,451.71	299,426.18		125,283.00	(54,863.00)	369,846.18
580	580570	Reallocation offset	(37,700.04)	(133,195.36)	3,652.98	(174,548.38)				(174,548.38)
580	580901	Inter Co Reclass Dist Ops Supervision	81,629.84	93,517.80	36,553.35	138,594.29				138,594.29
580 Total			208,017.41	278,720.64	202,738.17	283,999.88		125,283.00	(54,863.00)	354,419.88
581	581470	Line and station expenses	-	0.98	-	0.98				0.98
581	581710	Line & station exp billed from Svc Co	6.48	9.35	8.72	7.11				7.11
581	581901	Inter Co Reclass Dist Load Dispatch	81,486.15	147,256.49	68,262.52	160,480.12				160,480.12
581 Total			81,492.63	147,266.82	68,271.24	160,488.21				160,488.21
582	582010	OPER SUBSTA XFMR MISC DIST	4,729.24	16,159.79	9,357.67	11,531.36				11,531.36
582	582030	OPER SUBSTA RELAYS DIST	5,143.06	9,055.30	1,814.17	12,384.19				12,384.19
582	582050	OPER SUBSTA MISC ELEC EQUIP DIST	-	390.76	-	390.76				390.76
582	582060	OPER SUBSTA NETWORK DIST	-	8,764.28	1,391.61	7,372.67				7,372.67
582	582080	OPER SUBSTA BATTERY DIST	15,376.58	27,830.37	14,083.90	29,123.05				29,123.05
582	582090	OPER SUBSTA HOUSEKEEPING DIST	47,073.31	31,255.53	13,839.18	64,489.66				64,489.66
582	582220	AREA STORM REST SUBSTA STANDBY	-	9,484.78	-	9,484.78				9,484.78
582	582240	OPER SUBSTA INSPEC DIST	35,612.99	99,011.27	60,887.72	73,736.54				73,736.54
582	582250	Oper Substa CM Dist	69,699.55	53,060.68	61,332.26	61,427.97				61,427.97
582	582260	OPER SPOT LOAD	7,915.73	-	-	7,915.73				7,915.73

FERC	ACCOUNT	DESC	6/30/2005 ACTUAL	12/31/2004 ACTUAL	6/30/2004 ACTUAL	Total 6/30/05	reclass 6/30/05	reclass 12/31/04	reclass 6/30/04	Test Year Total
582	582270	OPER SUBSTA STANDBY CUST DIST	(10,700.89)	2,982.13	10,250.26	(17,969.02)				(17,969.02)
582	582280	OPER SUBSTA OPER CARE & SUPP	74,248.82	74,717.57	25,909.53	123,056.86				123,056.86
582	582570	Reallocation offset	426,916.19	233,423.53	-	660,339.72		(211,996.00)		448,343.72
582	582710	Station exp billed from Svc Co	-	1,407.80	-	1,407.80				1,407.80
582	582901	Inter Co Reclass Dist Sta Exp	(3,519.92)	(12,268.33)	(5,461.01)	(10,327.24)				(10,327.24)
582 Total			672,494.66	555,275.46	193,405.29	1,034,364.83		(211,996.00)		822,368.83
583	583010	Overhead line expenses	2,938.63	3,999.16	2,559.07	4,378.72				4,378.72
583	583050	OPER SUBSTA O/H MISC DIST	8,448.72	1,285.79	1,412.49	8,322.02				8,322.02
583	583100	Overhead line expenses	18,230.75	76,939.61	52,984.70	42,185.66				42,185.66
583	583260	Overhead line expenses	782.42	2,056.04	1,051.31	1,787.15				1,787.15
583	583270	Rubber Up Overhead Wires	6,966.13	12,681.56	5,316.03	14,331.66				14,331.66
583	583570	Reallocation offset	48,049.55	39,439.88	-	87,489.43		(35,903.00)		51,586.43
583	583901	Inter Co Reclass Dist OH Line Exp	45,795.13	129,209.87	92,648.63	82,356.37				82,356.37
583 Total			131,211.33	265,611.91	155,972.23	240,851.01		(35,903.00)		204,948.01
584	584020	OPER SUBSTA URD FAULT DIST	-	56,991.41	4,651.60	52,339.81				52,339.81
584	584080	Underground line expenses	19,691.03	41,141.71	30,724.05	30,108.69				30,108.69
584	584200	Underground line expenses	17,506.50	51,605.02	16,995.85	52,115.67				52,115.67
584	584260	Underground line expenses	656.07	5,662.56	4,294.09	2,024.54				2,024.54
584	584570	Reallocation offset	75,966.17	135,993.38	-	211,959.55		(125,204.00)		86,755.55
584	584901	Inter Co Reclass Dist UG Line Exp	70,474.58	122,931.05	63,115.54	130,290.09				130,290.09
584 Total			184,294.35	414,325.13	119,781.13	478,838.35		(125,204.00)		353,634.35
585	585010	Street lighting and signal system exps	2,692.42	592.24	2,964.14	320.52				320.52
585	585570	Reallocation offset	-	765.02	-	765.02		(710.00)		55.02
585	585901	Inter Co Reclass Dist St. Light Exp	2,661.25	5,413.40	-	8,074.65				8,074.65
585 Total			5,353.67	6,770.66	2,964.14	9,160.19		(710.00)		8,450.19
586	586110	Meter expenses	-	539.97	539.97	-				-
586	586130	Meter expenses	(332.53)	2,676.00	2,604.00	(260.53)				(260.53)
586	586140	Meter expenses	4,174.43	25,723.23	19,508.61	10,389.05				10,389.05
586	586160	Contractor / temp help	372.86	-	-	372.86				372.86
586	586570	Reallocation offset	237.60	1,787.83	-	2,025.43		(1,658.00)		367.43
586	586710	Meter exp billed from Svc Co	194,461.71	339,387.65	154,784.83	379,064.53				379,064.53
586 Total			198,914.07	370,114.68	177,437.41	391,591.34		(1,658.00)		389,933.34
587	587010	SERVICE CALLS % INVEST DIST	269.63	1,019.52	-	1,289.15				1,289.15
587	587020	Customer installations expenses	-	(36.76)	0	(36.76)				(36.76)
587	587040	Customer installations expenses	5,048.33	24,792.69	3,682.98	26,158.04				26,158.04
587	587570	Reallocation offset	3,273.47	6,792.43	0	10,065.90		(6,288.00)		3,777.90
587	587710	Customer Install exp billed from Svc Co	650.27	3,709.28	3,602.10	757.45				757.45
587	587901	Inter Co Reclass Dist Cust Install Exp	12,498.76	24,128.52	13,472.26	23,155.02				23,155.02
587 Total			21,740.46	60,405.68	20,757.34	61,388.80		(6,288.00)		55,100.80
588	588110	Misc Distribution Labor	(238,741.33)	(162,077.63)	(128,220.09)	(272,598.87)				(272,598.87)
588	588130	Misc distribution expenses	(54,461.76)	(32,540.62)	(19,777.73)	(67,224.65)				(67,224.65)
588	588150	Misc Dist Exp	77,408.96	138,791.66	58,204.49	157,996.13				157,996.13
588	588200	Assoc Co Misc. Dist Exp	-	287.78	76.31	211.47				211.47
588	588250	Misc. distribution expenses	(33,820.33)	(67,431.78)	(50,303.98)	(50,948.13)				(50,948.13)
588	588290	Misc. distribution expenses	(818.67)	818.67	-	-				-
588	588520	Proc card	(275,736.11)	(40,312.07)	-	(316,048.18)				(316,048.18)
588	588570	Reallocation offset	(10,480.70)	180,329.93	236,110.07	(66,260.84)		381,759.00		315,498.16
588	588590	Misc. distribution expenses	97,038.60	(513,467.97)	(270,149.30)	(146,280.07)				(146,280.07)
588	588850	Misc. Dist exp - billed from NSTAR Svc Co	(116.40)	524,683.49	227,238.49	297,328.60				297,328.60
588	588880	Inventory Expenses	414,792.58	(62,000.00)	-	352,792.58				352,792.58
588	588888	Capitalized overhead	(122,267.46)	(212,632.08)	(154,435.50)	(180,464.04)				(180,464.04)
588	588901	Inter Co Reclass Dist Misc Exp	147,201.82	246,369.68	138,483.29	255,088.21				255,088.21
588 Total			(0.80)	819.06	37,226.05	(36,407.79)		381,759.00		345,351.21
589	589020	Rents	233,136.44	545,403.62	271,194.87	507,345.19				507,345.19

<u>FERC</u>	<u>ACCOUNT</u>	<u>DESC</u>	<u>6/30/2005</u> <u>ACTUAL</u>	<u>12/31/2004</u> <u>ACTUAL</u>	<u>6/30/2004</u> <u>ACTUAL</u>	<u>Total</u> <u>6/30/05</u>	<u>reclass</u> <u>6/30/05</u>	<u>reclass</u> <u>12/31/04</u>	<u>reclass</u> <u>6/30/04</u>	<u>Test Year</u> <u>Total</u>
589	589710	Rent expense billed from Svc Co	130.97	1,075.27	525.18	681.06				681.06
589 Total			233,267.41	546,478.89	271,720.05	508,026.25				508,026.25
590	590410	Maint, Super Eng Billed from Service Co.	1,368.58	1,811.23	955.30	2,224.51				2,224.51
590	590570	Reallocation offset	92,313.00	204,015.00	65,725.00	230,603.00				230,603.00
590 Total			93,681.58	205,826.23	66,680.30	232,827.51				232,827.51
591	591060	SUBSTA MISC STRUCTURE DIST	9,600.35	27,810.55	8,818.14	28,592.76				28,592.76
591	591100	SUBSTA MISC NON ELECT DIST	34,317.02	28,306.30	8,970.61	53,652.71				53,652.71
591	591901	Inter Co Reclass Dist Maint Structures	-	(6,661.79)	(6,026.48)	(635.31)				(635.31)
591 Total			43,917.37	49,455.06	11,762.27	81,610.16				81,610.16
592	592010	SUBSTA MAINT XFMR'S DIST	1,939.36	18,900.57	4,411.82	16,428.11				16,428.11
592	592020	SUBSTA MAINT BUSES SWCT&SWGR	17,166.66	14,240.65	5,872.98	25,534.33				25,534.33
592	592030	SUBSTA MAINT RELAYS DIST	-	4,219.75	-	4,219.75				4,219.75
592	592040	SUBSTATION DIST BREAKER MAINT	35,142.26	22,202.99	12,298.62	45,046.63				45,046.63
592	592050	SUBSTA MAINT MISC EQUIP DIST	10,684.35	30,543.11	12,224.07	29,003.39				29,003.39
592	592060	SUBSTA MAINT NETWORK DIST	53,415.49	42,178.47	1,721.29	93,872.67				93,872.67
592	592070	Oil Testing Distribution PM	614.08	-	-	614.08				614.08
592	592080	SUBSTA MAINT BATTERY DIST	1,002.80	-	-	1,002.80				1,002.80
592	592100	SUBSTA PAINTING DIST	229.16	1,220.56	882.88	566.84				566.84
592	592240	SUBSTA ENVIO DIST	-	3,158.22	3,158.22	-				-
592	592710	Maint Sta Equip billed from Svc Co	-	10.14	2.65	7.49				7.49
592	592901	Inter Co Reclass Dist Maint Sta Equip	35,172.01	(2,880.00)	(1,440.00)	33,732.01				33,732.01
592 Total			155,366.17	133,794.46	39,132.53	250,028.10				250,028.10
593	593020	OH Constr Transfer	9,008.14	31,037.29	13,186.36	26,859.07				26,859.07
593	593040	Maintenance of overhead lines	19,740.71	18,071.55	(4,571.27)	42,383.53				42,383.53
593	593050	SUBSTA O/H MISC ELECT EQUIP DIST	257.98	-	-	257.98				257.98
593	593070	Maintenance of overhead lines	1,924.88	447.72	-	2,372.60				2,372.60
593	593080	Maintenance of overhead lines	13,172.96	837.99	-	14,010.95				14,010.95
593	593100	Maintenance of overhead lines	-	1,300.32	0	1,300.32				1,300.32
593	593130	Maintenance of overhead lines	-	12,973.76	0	12,973.76				12,973.76
593	593710	Maint OH lines billed from Svc Co	(31,647.47)	52,235.41	17,169.83	3,418.11				3,418.11
593	593901	Inter Co Reclass Dist Maint OH Lines	107,930.64	47,641.12	6,466.36	149,105.40				149,105.40
593 Total			120,387.84	164,545.16	32,251.28	252,681.72				252,681.72
594	594010	Maintenance of underground lines	10,501.15	25,724.71	2,329.72	33,896.14				33,896.14
594	594020	Maintenance of underground lines	-	17,669.22	2,551.85	15,117.37				15,117.37
594	594030	Maintenance of underground lines	43,480.41	315,227.56	194,389.75	164,318.22				164,318.22
594	594040	Maintenance of underground lines	-	452.08	452.08	-				-
594	594080	Maintenance of underground lines	5,969.77	5,857.67	-	11,827.44				11,827.44
594	594240	Maintenance of underground lines	-	7,280.24	7,280.24	-				-
594	594260	Maintenance of underground lines	2,132.01	34,464.55	32,366.24	4,230.32				4,230.32
594	594901	Inter Co Reclass Dist Maint UG Lines	49,378.37	29,693.18	10,184.29	68,887.26				68,887.26
594 Total			111,461.71	436,369.21	249,554.17	298,276.75				298,276.75
596	596050	Maint. of street lighting and signal sys.	-	1,143.88	-	1,143.88				1,143.88
596 Total			-	1,143.88	-	1,143.88				1,143.88
598	598200	Assoc Co Main Misc Dist Exp-Nstar Gas	-	48.37	30.15	18.22				18.22
598	598300	Maint. of misc. distribution plant	(114.14)	-	-	(114.14)				(114.14)
598	598410	Maint misc dist plant - billed from NSTAR Svc Co	42,026.05	54,927.55	27,002.06	69,951.54				69,951.54
598	598570	Reallocation offset	-	8.49	0	8.49				8.49
598	598901	Inter Co Reclass Dist Maint Misc Dist Plant	-	2.84	0	2.84				2.84
598 Total			41,911.91	54,987.25	27,032.21	69,866.95				69,866.95
901	901710	Supv Cust Accts billed from Svc Co	41,974.43	76,635.29	34,938.07	83,671.65				83,671.65
901 Total			41,974.43	76,635.29	34,938.07	83,671.65				83,671.65
902	902110	Meter reading expenses	-	-	5,078.69	(5,078.69)				(5,078.69)
902	902130	Meter reading expenses	(625.35)	-	-	(625.35)				(625.35)
902	902450	Meter reading expenses	(608.00)	608.00	0	-				-

FERC	ACCOUNT	DESC	6/30/2005 ACTUAL	12/31/2004 ACTUAL	6/30/2004 ACTUAL	Total 6/30/05	reclass 6/30/05	reclass 12/31/04	reclass 6/30/04	Test Year Total
902	902710	Meter read expense billed from Svc CoSupv Cust Accts bi	163,725.17	345,328.04	169,206.22	339,846.99				339,846.99
902	902901	Inter Co Reclass Meter Reading Exp	0.24	0.27	0.24	0.27				0.27
902 Total			162,492.06	345,936.31	174,285.15	334,143.22				334,143.22
903	903330	Customer records and collection exps	-	190.00	-	190.00				190.00
903	903760	Cust Rec & Coll billed from Svc Co	647,750.91	1,258,648.88	603,448.11	1,302,951.68				1,302,951.68
903	903860	Customer records and collection exps	-	(461.54)	(461.54)	-				-
903	903900	Customer records and collection exps	(3,539.62)	(4,215.96)	(1,794.31)	(5,961.27)				(5,961.27)
903 Total			644,211.29	1,254,161.38	601,192.26	1,297,180.41				1,297,180.41
904	904010	Bad debt expense	157,312.61	151,400.68	214,368.96	94,344.33				94,344.33
904 Total			157,312.61	151,400.68	214,368.96	94,344.33				94,344.33
905	905100	Service Guarantee	25.00	125.00	125.00	25.00				25.00
905	905750	Misc Cust Accts Exp billed from Svc Co	35,753.85	64,101.03	31,841.30	68,013.58				68,013.58
905 Total			35,778.85	64,226.03	31,966.30	68,038.58				68,038.58
908	908050	Overhead Allocation	186,104.59	335,126.30	158,156.22	363,074.67				363,074.67
908	908200	ES Homes	24,176.60	30,597.33	10,429.84	44,344.09				44,344.09
908	908202	Res High-Use	-	15,319.16	11,084.93	4,234.23				4,234.23
908	908204	Res Multi-Family Audit Program	452.16	-	-	452.16				452.16
908	908205	Starlights	67,178.63	225,919.55	81,918.90	211,179.28				211,179.28
908	908206	ES Appliances	18,854.30	104,599.97	40,532.96	82,921.31				82,921.31
908	908208	Res Education	16,205.99	40,293.30	15,642.27	40,857.02				40,857.02
908	908211	Res Nup Collab	(4,474.55)	7,446.33	-	2,971.78				2,971.78
908	908213	Res-Labor	561.25	145.97	132.97	574.25				574.25
908	908214	Celebration Rewards	-	1,819.60	1,250.00	569.60				569.60
908	908215	Res-Meetings	-	20.00	-	20.00				20.00
908	908216	Res -Supplies	125.50	-	-	125.50				125.50
908	908221	Res-Other	21,048.48	2,396.87	1,121.02	22,324.33				22,324.33
908	908224	Res- ES HVAC	17,333.36	43,565.34	18,236.26	42,662.44				42,662.44
908	908300	LI Single Fam	2,570.75	11,371.32	8,238.95	5,703.12				5,703.12
908	908301	LI Multi-Fam	5,424.30	192,163.81	8,873.28	188,714.83				188,714.83
908	908302	LI New Con	56,993.33	-	-	56,993.33				56,993.33
908	908305	LI Network	-	2,240.45	1,108.30	1,132.15				1,132.15
908	908400	CI New Constr	42,556.02	1,126,309.07	131,624.40	1,037,240.69				1,037,240.69
908	908402	CI Retrofit	155,500.39	712,840.49	234,077.22	634,263.66				634,263.66
908	908403	CI IRM Retrofit	111,441.52	215,603.77	32,085.15	294,960.14				294,960.14
908	908404	CI Small	246,354.90	346,740.80	41,447.02	551,648.68				551,648.68
908	908414	Celebration Rewards	-	1,819.60	1,250.00	569.60				569.60
908	908416	Pilots	-	1,645.20	-	1,645.20				1,645.20
908	908417	C&I Program R&D	9,696.73	49,388.61	38,739.24	20,346.10				20,346.10
908	908423	CI Nup Coll	(1,082.59)	16,137.94	-	15,055.35				15,055.35
908	908425	CI-Labor	1,176.97	-	-	1,176.97				1,176.97
908	908427	CI-Meetings	-	33.25	33.25	-				-
908	908433	CI-Other	1,098.00	5,630.00	4,790.00	1,938.00				1,938.00
908	908500	ECS S Internal Salaries	25.92	113.25	-	139.17				139.17
908	908508	Statewide Marketing	3,047.43	45,239.37	32,885.85	15,400.95				15,400.95
908	908514	Fuel Neutral Rewards	12,551.17	71,242.07	49,731.94	34,061.30				34,061.30
908	908515	Toll Free #	253.81	1,923.43	1,024.98	1,152.26				1,152.26
908	908525	ECS S Impl Audits	4,300.63	34,047.08	15,469.51	22,878.20				22,878.20
908	908526	ECS S Impl Materials	1,296.00	5,134.82	1,122.41	5,308.41				5,308.41
908	908532	ECS S Agency Assessment	778.33	4,395.30	4,395.30	778.33				778.33
908	908533	ECS S Evaluation	164.16	18,651.19	1,979.98	16,835.37				16,835.37
908	908710	Cust Asst Exp billed from Svc Co	159.86	354.32	-	514.18				514.18
908	908996	Labor allocation	178,689.17	321,770.01	145,431.64	355,027.54				355,027.54
908	908997	Account Merger Mapping	862,455.76	(347,897.48)	406,122.01	108,436.27				108,436.27
908	908998	COM default account	-	454,563.17	454,563.17	-				-

<u>FERC</u>	<u>ACCOUNT</u>	<u>DESC</u>	<u>6/30/2005</u> <u>ACTUAL</u>	<u>12/31/2004</u> <u>ACTUAL</u>	<u>6/30/2004</u> <u>ACTUAL</u>	<u>Total</u> <u>6/30/05</u>	<u>reclass</u> <u>6/30/05</u>	<u>reclass</u> <u>12/31/04</u>	<u>reclass</u> <u>6/30/04</u>	<u>Test Year</u> <u>Total</u>
908 Total			2,043,018.87	4,098,710.56	1,953,498.97	4,188,230.46				4,188,230.46
909	909710	Info & Inst Exp billed from Svc Co	4,086.63	18,256.67	10,010.84	12,332.46				12,332.46
909 Total			4,086.63	18,256.67	10,010.84	12,332.46				12,332.46
910	910140	Misc. cust. svc and informational exps.	-	2,494.66	-	2,494.66				2,494.66
910	910210	Customer Svc +Info Exp Billed from Svc Co	114,597.51	240,486.39	135,002.28	220,081.62				220,081.62
910 Total			114,597.51	242,981.05	135,002.28	222,576.28				222,576.28
911	911710	Supr Sales billed from Svc Co	22,481.20	39,016.06	18,422.88	43,074.38				43,074.38
911 Total			22,481.20	39,016.06	18,422.88	43,074.38				43,074.38
912	912710	Demo & Selling Exp billed from Svc Co	(131.65)	1,999.00	911.84	955.51				955.51
912 Total			(131.65)	1,999.00	911.84	955.51				955.51
916	916740	Misc Sales Exp billed from Svc Co	5,871.53	10,966.86	5,217.04	11,621.35		28,433.00	(13,898.00)	26,156.35
916 Total			5,871.53	10,966.86	5,217.04	11,621.35		28,433.00	(13,898.00)	26,156.35
920	920710	Admin & General Salaries - billed from Service Co	1,071,937.40	2,010,236.74	1,081,182.10	2,000,992.04	(472,897.00)			1,612,332.04
920 Total			1,071,937.40	2,010,236.74	1,081,182.10	2,000,992.04	-	(472,897.00)	84,237.00	1,612,332.04
921	921110	Absence - job injury	2.79	-	-	2.79				2.79
921	921130	Office supplies and expenses	9,990.77	22,696.16	22,696.16	9,990.77				9,990.77
921	921190	Office supplies and expenses	(1,138.62)	(59,868.12)	-	(61,006.74)				(61,006.74)
921	921580	Office supplies and expenses	9.48	15.80	18.96	6.32				6.32
921	921710	Office Supplies & Expenses billed from Service Co	235,156.28	364,971.99	214,725.25	385,403.02		313,278.00	(15,315.00)	683,366.02
921	921901	Inter Co Reclass A&G Office Supply & Exp	109.53	-	-	109.53				109.53
921 Total			244,130.23	327,815.83	237,440.37	334,505.69	-	313,278.00	(15,315.00)	632,468.69
922	922500	Admin. exps. transferred - Credit	(180,773.88)	(422,452.13)	(286,575.88)	(316,650.13)				(316,650.13)
922 Total			(180,773.88)	(422,452.13)	(286,575.88)	(316,650.13)				(316,650.13)
923	923710	Legal Services-Billed Service Co	190,035.94	281,087.29	158,162.89	312,960.34				312,960.34
923	923750	Outside services employed	900.00	-	(1,647.04)	2,547.04				2,547.04
923 Total			190,935.94	281,087.29	156,515.85	315,507.38				315,507.38
924	924010	Property insurance	18,531.63	22,465.53	5,681.91	35,315.25				35,315.25
924 Total			18,531.63	22,465.53	5,681.91	35,315.25				35,315.25
925	925010	Injuries and damages	25,484.00	96,293.00	125,993.00	(4,216.00)				(4,216.00)
925	925050	Injuries and damages	41,518.76	80,913.14	38,514.91	83,916.99				83,916.99
925	925060	Injuries and damages	11,674.62	20,124.06	9,738.39	22,060.29				22,060.29
925	925080	Injuries and damages	12,784.19	19,606.86	10,027.80	22,363.25				22,363.25
925	925710	Injuries and Damages Billed to Service Co.	65,281.31	196,907.13	93,983.10	168,205.34				168,205.34
925 Total			156,742.88	413,844.19	278,257.20	292,329.87				292,329.87
926	926000	Allocated pension & benefit expense	181,630.14	429,479.59	132,375.95	478,733.78				478,733.78
926	926010	Wellness Program	(368.64)	368.64	-	-				-
926	926100	Pension expense	(128,898.00)	(250,099.00)	(125,046.00)	(253,951.00)				(253,951.00)
926	926120	Deferred Pension Expense	18,554.00	(274,272.00)	(159,948.00)	(95,770.00)				(95,770.00)
926	926125	Deferred PBOP Expense	-	263,184.00	35,514.00	227,670.00				227,670.00
926	926128	Amort of PAM deferral	658,998.00	1,296,000.00	660,000.00	1,294,998.00				1,294,998.00
926	926129	Recon begin yr PAM to filing	-	26,577.00	-	26,577.00				26,577.00
926	926300	Long-term disability	-	5,374.00	-	5,374.00				5,374.00
926	926320	Post-retirement benefits	254,136.00	508,277.00	254,112.00	508,301.00				508,301.00
926	926570	Reallocation Offset	132,188.45	340,836.95	152,028.73	320,996.67				320,996.67
926	926760	Emp Pen & Ben billed from Service Co	696,743.49	1,018,419.10	609,724.67	1,105,437.92				1,105,437.92
926	926880	Employee pensions and benefits	(232,101.60)	(456,550.90)	(155,389.39)	(533,263.11)				(533,263.11)
926	926901	Inter Co Reclass Pensions & Benefits	213,506.75	358,839.08	165,459.87	406,885.96				406,885.96
926 Total			1,794,388.59	3,266,433.46	1,568,831.83	3,491,990.22				3,491,990.22
928	928130	Regulatory expense - DTE	183,975.28	291,153.07	156,453.47	318,674.88				318,674.88
928	928140	Regulatory expense - FERC	42,498.00	166,165.00	42,498.00	166,165.00				166,165.00
928 Total			226,473.28	457,318.07	198,951.47	484,839.88				484,839.88
930	930710	Gen Adv/Misc exp billed from Svc Co	19,243.86	95,026.00	40,561.90	73,707.96				73,707.96
930	930750	Corp & Fiscal Exp	125.00	125.00	125.00	125.00				125.00
930	930751	Revolving/Comm Fees	12,274.09	23,485.83	16,394.66	19,365.26				19,365.26

<u>FERC</u>	<u>ACCOUNT</u>	<u>SDESC</u>	<u>6/30/2005</u> <u>ACTUAL</u>	<u>12/31/2004</u> <u>ACTUAL</u>	<u>6/30/2004</u> <u>ACTUAL</u>	<u>Total</u> <u>6/30/05</u>	<u>reclass</u> <u>6/30/05</u>	<u>reclass</u> <u>12/31/04</u>	<u>reclass</u> <u>6/30/04</u>	<u>Test Year</u> <u>Total</u>
930	930754	Rating Agency Fees	11,202.73	3,163.10	3,163.10	11,202.73				11,202.73
930	930775	Misc. General Expense	769.45	964.99	-	1,734.44	285.07	1,110.99	-284.63	2,845.87
930 Total			43,615.13	122,764.92	60,244.66	106,135.39	285.07	1,110.99	-284.63	107,246.82
931	931150	Assoc Co Rents	21,824.10	43,507.08	21,753.54	43,577.64				43,577.64
931	931200	Rents	-	7,386.37	3,587.59	3,798.78				3,798.78
931	931710	Rents billed from Svc Co	230,445.46	125,494.25	64,085.45	291,854.26				291,854.26
931 Total			252,269.56	176,387.70	89,426.58	339,230.68				339,230.68
963	963130	Logistics group clearing account	285.07	1,099.42	284.50	1,099.99	(285.07)	(1,099.42)	284.50	-
963 Total			285.07	1,099.42	284.50	1,099.99	(285.07)	(1,099.42)	284.50	-
964	964210	Engineering services clearing acct	-	11.42	-	11.42		(11.57)	0.13	(0.02)
964	964901	Inter Co Reclass Eng Svcs Clearing	-	0.15	0.13	0.02				0.02
964 Total			-	11.57	0.13	11.44	-	(11.57)	0.13	(0.00)
Grand Total			(3,766,834.58)	(8,942,239.81)	(4,023,468.38)	(8,685,606.01)	-	(0.00)	0.00	(8,685,606.01)

Electric Plant in Service

D.T.E. 05-85

Cambridge Electric Light Company

Exhibit CEL-CLV-12

Page 1 of 4

Line No	Account Code	Description	Beginning Balance	Additions	Retirements	Transfers	Adjs	Ending Balance
1. Intangible Plant								
1	301	Organization	\$ -	\$ -	\$ -	\$ -	\$ -	-
2	302	Franchises and Consents	-	-	-	-	-	-
3	303	Misc Intangible Plant	2,509,064	174,970	-	-	-	2,684,034
4		Total Intangible Plant	\$ 2,509,064	\$ 174,970	\$ -	\$ -	\$ -	\$ 2,684,034
2. Transmission Plant								
5	350	Land and Land Rights	\$ 314,753	\$ -	\$ -	\$ -	\$ -	314,753
6	352	Structures and Improvements	4,926,678	-	-	-	-	4,926,678
7	353	Station Equipment	6,973,992	6,157	-	-	-	6,980,149
8	354	Towers and Fixtures	-	-	-	-	-	-
9	355	Poles and Fixtures	36,955	-	-	-	-	36,955
10	356	Overhead Conductors and Devices	-	-	-	-	-	-
11	357	Underground Conduit	9,259,767	3,734,664	-	-	-	12,994,431
12	358	Underground Conductors and Devices	12,415,473	(3,767,046)	-	-	-	8,648,427
13	359	Roads and Trails	-	-	-	-	-	-
14		Total Transmission Plant	\$ 33,927,618	\$ (26,225)	\$ -	\$ -	\$ -	\$ 33,901,393
3. Distribution Plant								
15	360	Land and Land Rights	\$ 238,986	\$ -	\$ 1,197	\$ -	\$ -	237,789
16	361	Structures and Improvements	2,304,751	-	-	-	-	2,304,751
17	362	Station Equipment	37,218,839	(839,348)	99,109	-	-	36,280,382
18	363	Storage Battery Equipment	-	-	-	-	-	-
19	364	Poles, Towers and Fixtures	2,797,935	664	3,514	-	-	2,795,085
20	365	Overhead Conductors and Devices	5,681,315	174,189	5,949	-	-	5,849,555
21	366	Underground Conduit	18,455,845	1,366,588	43	140,974	-	19,963,364
22	367	Underground Conductors and Devices	47,282,140	1,782,900	933,567	(140,174)	-	47,991,299
23	368	Line Transformers	4,366,733	(259,595)	-	-	-	4,107,138
24	369	Services	6,338,889	(305,543)	4,078	(800)	-	6,028,468
25	370	Meters	3,632,369	39,208	166,171	-	-	3,505,406
26	371	Installation on Customer Premises	-	-	-	-	-	-
27	372	Leased Property on Customer Premises	-	-	-	-	-	-

Electric Plant in Service

D.T.E. 05-85

Cambridge Electric Light Company

Exhibit CEL-CLV-12

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Line No	Code	Account Description	Beginning Balance	Additions	Retirements	Transfers	Adjs	Ending Balance
28	373	Street Light and Signal Systems *	3,785,751	16,434	2,964,419	-	-	837,766
29		Total Distribution Plant	\$ 132,103,553	\$ 1,975,497	\$ 4,178,047	\$ -	\$ -	\$ 129,901,003
4. General Plant								
30	389	Land and Land Rights	\$ 290,820		\$ -	\$ -	\$ -	290,820
31	390	Structures and Improvements	2,618,232	(209,547)	-	-	-	2,408,685
32	391	Office Furniture and Equipment	561,455	71,292	46,527	-	-	586,220
33	392	Transportation Equipment	-	-	-	-	-	-
34	393	Stores Equipment	18,308	-	-	-	-	18,308
35	394	Tools, Shop and Garage Equipment	15,643	-	-	-	-	15,643
36	395	Laboratory Equipment	-	-	-	-	-	-
37	396	Power Operated Equipment	-	-	-	-	-	-
38	397	Communication Equipment	67,318	(59,928)	-	-	-	7,390
39	398	Miscellaneous Equipment	31,231	-	-	-	-	31,231
40		Total General Plant	\$ 3,603,007	\$ (198,183)	\$ 46,527	\$ -	\$ -	\$ 3,358,297
41		Total Electric Plant In Service	\$ 172,143,242	\$ 1,926,059	\$ 4,224,574	\$ -	\$ -	\$ 169,844,727

* Line 28 reflects the retirement of Street Lighting equipment sold to the City of Cambridge effective March 1, 2005 and approved by the D.T.E. on September 19, 2005

**D.T.E. 05-85
Cambridge Electric Light Company
Exhibit CEL-CLV-12
Page 3 of 4**

Line No	Account Code	Description	Beginning Balance	Additions	Retirements	Transfers	Adjs	Ending Balance
		1. Intangible Plant						
1	301	Organization	\$ -	\$ -	\$ -	\$ -	\$ -	-
2	302	Franchises and Consents	-	-	-	-	-	-
3	303	Misc Intangible Plant	-	-	-	-	-	877,293
4		Total Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	877,293
		2. Transmission Plant						
5	350	Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	-
6	352	Structures and Improvements	-	-	-	-	-	1,835,666
7	353	Station Equipment	-	-	-	-	-	3,267,035
8	354	Towers and Fixtures	-	-	-	-	-	-
9	355	Poles and Fixtures	-	-	-	-	-	15,277
10	356	Overhead Conductors and Devices	-	-	-	-	-	-
11	357	Underground Conduit	-	-	-	-	-	2,038,935
12	358	Underground Conductors and Devices	-	-	-	-	-	2,272,128
13	359	Roads and Trails	-	-	-	-	-	-
14		Total Transmission Plant	\$ -	\$ -	\$ -	\$ -	\$ -	9,429,040
		3. Distribution Plant						
15	360	Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	-
16	361	Structures and Improvements	-	-	-	-	-	1,460,830
17	362	Station Equipment	-	-	-	-	-	17,412,419
18	363	Storage Battery Equipment	-	-	-	-	-	-
19	364	Poles, Towers and Fixtures	-	-	-	-	-	1,442,492
20	365	Overhead Conductors and Devices	-	-	-	-	-	2,245,105
21	366	Underground Conduit	-	-	-	-	-	8,773,353
22	367	Underground Conductors and Devices	-	-	-	-	-	10,365,166
23	368	Line Transformers	-	-	-	-	-	1,911,938
24	369	Services	-	-	-	-	-	2,982,270
25	370	Meters	-	-	-	-	-	(485,654)
26	371	Installation on Customer Premises	-	-	-	-	-	-
27	372	Leased Property on Customer Premises	-	-	-	-	-	-
28	373	Street Light and Signal Systems *	3,454,253	-	2,959,568	-	-	494,685
29		Total Distribution Plant	\$ -	\$ -	\$ -	\$ -	\$ -	46,602,607

Electric Plant Accumulated Depreciation

D.T.E. 05-85

Cambridge Electric Light Company

Exhibit CEL-CLV-12

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Line No	Account Code	Description	Beginning Balance	Additions	Retirements	Transfers	Adjs	Ending Balance
4. General Plant								
30	389	Land and Land Rights	\$ -		\$ -	\$ -	\$ -	\$ -
31	390	Structures and Improvements	-	-	-	-	-	167,601
32	391	Office Furniture and Equipment	-	-	-	-	-	52,677
33	392	Transportation Equipment	-	-	-	-	-	35,657
34	393	Stores Equipment	-	-	-	-	-	12,760
35	394	Tools, Shop and Garage Equipment	-	-	-	-	-	(279,361)
36	395	Laboratory Equipment	-	-	-	-	-	9,733
37	396	Power Operated Equipment	-	-	-	-	-	-
38	397	Communication Equipment	-	-	-	-	-	(4,972)
39	398	Miscellaneous Equipment	-	-	-	-	-	17,687
40		Total General Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,783
41		Total Electric Plant In Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,920,723

* Line 28 reflects the retirement of Street Lighting equipment sold to the City of Cambridge effective March 1, 2005 and approved by the D.T.E. on September 19, 2005

ISO New England Inc.
FERC Electric Tariff No. 3
Section II - Open Access Transmission Tariff
Schedule 21 - CEL

Original Sheet No. 2000

Schedule 21 - CEL

Cambridge Electric Light Company Local Service Schedule

Issued by: Ellen K. Angley
Vice President
Cambridge Electric Light Company
Issued on: December 22, 2004

Effective: With notice, on or after February 1, 2005

I COMMON SERVICE PROVISIONS

1.0 DEFINITIONS

Whenever used in this Local Service Schedule, in either the singular or plural number, the following capitalized terms shall have the meanings specified in this Section 1. Terms used in this Local Service Schedule that are not defined in this Local Service Schedule shall have the meanings set forth in the Tariff or customarily attributed to such terms by the electric utility industry in New England. Where there is a conflict between this Local Service Schedule and the Tariff, the terms here shall apply.

1.1 Annual Transmission Costs

The total annual cost of the Transmission System shall be the amount specified in Attachment D until amended by Cambridge or modified by the Commission.

1.2 Annual True-Up

The reconciliation to actual costs of the estimated costs used for billing purposes under Section 4.0 of this Local Service Schedule for any Service Year.

1.3 Cambridge

Cambridge Electric Light Company, a Massachusetts Corporation with offices located at 800 Boylston Street, Boston, Massachusetts 02199. Cambridge owns, controls or operates facilities used for the transmission of electric energy in interstate commerce and provides transmission service pursuant to the rates, terms and conditions of this Local Service Schedule and the applicable terms and conditions of this Local Service Schedule.

1.4 Cambridge's Monthly Transmission System Load

Cambridge's Monthly Transmission System Peak minus the coincident peak usage of all Firm Local Point-to-Point Service customers pursuant to Part II of this Local Service Schedule plus the Reserved Capacity of all Firm Local Point-to-Point Service customers.

1.5 Cambridge's Monthly Transmission System Peak

The maximum firm usage of Cambridge's Transmission System in a calendar month.

1.6 [Reserved]

1.7 Designated Agent

Any entity that performs actions or functions on behalf of Cambridge, an Eligible Customer, or the Transmission Customer required under the Local Service Schedule.

1.8 Firm Local Point-to-Point Service

Transmission service under this Local Service Schedule that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to this Local Service Schedule.

1.9 HQ Use Agreement

The Agreement with Respect to use of Quebec Interconnection dated as of December 1, 1981 among certain Participants, as amended and restated as of September 1, 1985 and as it may be further amended or restated from time to time.

1.10 Load Ratio Share

Ratio of a Transmission Customer's most recently reported Monthly Network Load in the case of Network Customers and including, where applicable, the Reserved Capacity of Transmission Customers taking Firm Local Point-to-Point Service, to the total load of Network Customers and the Reserved Capacity of Transmission Customers taking Firm Local Point-to-Point Service.

1.11 Local Point-to-Point Service

The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under this Local Service Schedule over Cambridge's Local Network or the Phase I/Phase II HVDC Facilities.

1.12 Local Network

All transmission facilities rated at 13.8 kV and above constituting Cambridge's non-

Pool Transmission Facilities (Non-PTF), excluding the Phase I/II HVDC-TF, which is defined in Schedule 20A of the OATT.

1.13 Local Network Load

The load that a Network Customer designates for Local Network Service of this Local Service Schedule. The Network Customer's Local Network Load shall include all load designated by the Network Customer, (including losses). A Network Customer may elect to designate less than its total load as Local Network Load but may not designate only part of the load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular load at discrete Points of Delivery as Local Network Load, the Eligible Customer is responsible for making separate arrangements under this Local Service Schedule for any Local Point-to-Point Service that may be necessary for such non-designated load.

1.14 Local Network Service

The transmission service provided under this Local Service Schedule over Cambridge's Local Network.

1.15 Local Network Upgrades

Modifications or additions to transmission-related facilities that are integrated with and support Cambridge's overall Transmission System for the general benefit of all users of such Transmission System.

1.16 Long-Term Firm Local Point-to-Point Service

Firm Local Point-to-Point Service provided under this Local Service Schedule with a term of one year or more.

1.17 Monthly Network Load

A Network Customer's hourly load (including its designated Network Load not physically interconnected with Cambridge under Section 15.2 of this Local Service Schedule) coincident with Cambridge's Monthly Transmission System Peak.

ISO New England Inc.
FERC Electric Tariff No. 3
Section II - Open Access Transmission Tariff
Schedule 21 - CEL

First Revised Sheet No. 2004
Superseding Original Sheet No. 2004

1.18 Native Load Customers

The wholesale and retail power customers of Cambridge on whose behalf Cambridge, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate Cambridge's system to meet the reliable electric needs of such customers.

1.19 Non-Firm Local Point-to-Point Service

Local Point-to-Point Service under this Local Service Schedule that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in this Local Service Schedule. Non-Firm Point-to-Point Service is available on a stand-alone basis for periods ranging from one hour to one month.

1.20 NPCC

The Northeast Power Coordinating Council.

1.20A Parties

Cambridge and the Transmission Customer receiving service under this Local Service Schedule.

1.21 **[Reserved]**

1.22 **[Reserved]**

1.23 Point(s) of Delivery

Point(s) on Cambridge's Transmission System where capacity and energy transmitted by Cambridge will be made available to the Receiving Party under this Local Service schedule. The Point(s) of Delivery shall be specified in the Service

Agreement for Long-Term Firm Local Point-to-Point Service.

1.24 Point(s) of Receipt

Point(s) of interconnection on Cambridge's Transmission System where capacity and energy will be made available to Cambridge by the Delivering Party this Local Service Schedule. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Local Firm Point-to-Point Service.

1.25 [Reserved]

1.26 Service Area

The geographic area in which Cambridge provides electric service by statute, franchise, or contractual obligation.

1.27 Service Year

The calendar year in which the Transmission Customer is receiving service under this Local Service Schedule.

1.28 Short-Term Firm Local Point-to-Point Service

Firm Local Point-to-Point Service under this Local Service Schedule with a term of less than one year.

1.29 System Capability

The sum of: (i) Cambridge's Installed System Capability or equivalent as previously defined in Section 1.42 of the Restated NEPOOL Agreement, plus (ii) any entitlements to capacity and energy owned by parties other than Cambridge for which Firm Local Point-to-Point Service or Local Network Service is being provided by Cambridge under this Local Service Schedule or other tariffs or agreements if and to the extent such entitlements are not included within the definition of Cambridge's System Capability.

1.30 Transmission System

The facilities owned, controlled or operated by Cambridge that are used to provide

transmission service under this Local Service Schedule.

2.0 ANCILLARY SERVICES

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. Cambridge is required to provide and the Transmission Customer is required to purchase Scheduling, System Control and Dispatch and Supplemental End-Use Reactive Support. In addition, the Transmission Customer is required to purchase additional Ancillary Service under the terms and conditions of the Tariff. Cambridge shall assess a penalty for any unauthorized use of Ancillary Services by the Transmission Customer in the amount of two times the rates shown for such Ancillary Service.

The prices and/or compensation methods for Local System Control and Dispatch Service and Supplemental End-Use Reactive Support are described in Schedule 1 and Schedule 2, respectively, attached to and made a part of this Local Service Schedule. Three principal requirements apply to discounts for Ancillary Services provided by Cambridge in conjunction with its provision of transmission service as follows: (1) any offer of a discount made by Cambridge must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on Cambridge's system.

3.0 CREDITWORTHINESS

For the purpose of determining the ability of the Transmission Customer to meet its obligations related to service hereunder, Commonwealth may require reasonable credit

review procedures. This review shall be made in accordance with standard commercial practices. In addition, Commonwealth may require the Transmission Customer to provide and maintain in effect during the term of the Service Agreement, an unconditional and irrevocable letter of credit as security to meet its responsibilities and obligations under Schedule 21 and this Local Service Schedule, or an alternative form of security proposed by the Transmission Customer and acceptable to Commonwealth and consistent with commercial practices established by the Uniform Commercial Code that protects Commonwealth against the risk of non-payment.

4.0 BILLING AND PAYMENT

4.1 Billing Procedure

Within a reasonable time after the first day of each month, Cambridge shall submit an invoice to the Transmission Customer for the charges for all services furnished under this Local Service Schedule during the preceding month. The invoice shall be paid by the Transmission Customer within twenty (20) days of receipt. All payments shall be made in immediately available funds payable to Cambridge, or by wire transfer to a bank named by Cambridge.

Billings hereunder shall be based on cost estimates made by Cambridge subject to Annual True-up when actual costs for the Service Year are known. Such Annual True-up shall occur no later than six (6) months after the close of the Service Year to which the Annual True-up relates. With the exception of curtailment penalty charges pursuant to Section 17.2 and Schedule 3, paragraph 5, and Schedule 4, paragraph 6, any Annual True-up rendered under this Local Service Schedule and any other monthly bill to which the Annual True-up relates shall be binding on both Parties one (1) year from the date of Cambridge's Annual True-up, unless previously disputed pursuant to Section 4.3 of this Local Service Schedule.

4.2 Interest on Unpaid Balances

Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by Cambridge.

4.3 Customer Default

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to Cambridge on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after Cambridge notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, Cambridge may initiate a proceeding with the Commission to terminate service but shall not terminate service until the Commission so approves any such request.

In the event of a billing dispute between Cambridge and the Transmission Customer, Cambridge will continue to provide service under the Local Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then Cambridge may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy.

5.0 DISPUTE RESOLUTION PROCEDURES

5.1 Internal Dispute Resolution Procedures

Any dispute between a Transmission Customer and Cambridge involving transmission service under this Local Service Schedule (excluding applications for rate changes or other changes to this Local Service Schedule, or to any Service Agreement entered into under this Local Service Schedule, which shall be presented directly to the Commission for resolution) shall be referred to a designated senior representative of Cambridge and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days [or such other period as the Parties may agree upon] by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

5.2 External Arbitration Procedures

Any arbitration initiated under this Local Service Schedule shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and

any applicable Commission regulations or ISO's rules.

5.3 Arbitration Decisions

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this Local Service Schedule and any Service Agreement entered into under this Local Service Schedule and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service or facilities.

5.4 Costs

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

- (a) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen;
or
- (b) one half the cost of the single arbitrator jointly chosen by the Parties.

5.5 Rights Under The Federal Power Act

Nothing in this section shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

II LOCAL POINT-TO-POINT SERVICE

6.0 NATURE OF FIRM LOCAL POINT-TO-POINT SERVICE

6.1 Curtailment of Firm Local Point-to-Point Service

In the event a Transmission Customer (including Third-Party Sales by Cambridge) fails to curtail a transaction when requested to do so by Cambridge, the Local Control Center and/or ISO, as appropriate and pursuant to this Section, Cambridge shall assess a penalty charge to the Transmission Customer. Said penalty charge will be determined in accordance with this Local Service Schedule.

In the event Cambridge, the Local Control Center or ISO exercises their rights to effect a Curtailment, in whole or in part, of Firm Local Point-to-Point Service, no credit or other adjustment shall be provided as a result of the Curtailment with respect to the charge payable by the Transmission Customer.

6.2 Classification of Firm Local Point-to-Point Service

- (a) The Transmission Customer taking Firm Local Point-to-Point Service may,
 - (1) change its Points of Receipt and Delivery to obtain service on a non-firm basis consistent with the terms of Part I of Section 10(a) of Schedule 21 of the OATT or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Part I of Section 10(b) of Schedule 21 of the OATT; provided that Cambridge continues to be compensated for any costs associated with the construction or upgrading of facilities associated with the original firm service.
- (b) In the event that a Transmission Customer's use of Transmission System (including Third-Party Sales by Cambridge) exceeds that Transmission Customer's Reserved Capacity at any Point of Receipt or Point of Delivery in any hour, Cambridge will charge the Transmission Customer a penalty charge in accordance with Section 10 and Schedule 3 of this Local Service

Schedule.

- (c) Under no circumstance will Cambridge be obligated to provide Control Area Ancillary Services to the Transmission Customer in support of any excess capacity (i.e., capacity in excess of Transmission Customer's Reserved Capacity).

7.0 NATURE OF NON-FIRM LOCAL POINT-TO-POINT SERVICE

7.1 Classification of Non-Firm Local Point-to-Point Service

In the event that a Transmission Customer's use of the Transmission System (including Third-Party Sales by Cambridge) exceeds that Transmission Customer's non-firm Reserved Capacity at any Point of Receipt or Point of Delivery, Cambridge will charge the Transmission Customer a penalty charge in accordance with Section 10 and Schedule 4 of this Local Service Schedule for such excess. Under no circumstance will Cambridge be obligated to provide Control Area Ancillary Services to the Transmission Customer in support of any excess capacity (i.e. capacity in excess of Transmission Customer's Reserved Capacity).

7.2 Curtailment or Interruption of Service

In the event a Transmission Customer (including Third-Party Sales by Cambridge) fails to curtail a transaction when requested to do so by ISO, the Local Control Center and/or Cambridge, as appropriate and pursuant to this Section, Cambridge shall assess a penalty charge. Said penalty charge will be determined in accordance with Section 10 and Schedule 4 of this Local Service Schedule.

In the event Cambridge, the Local Control Center and/or ISO exercises its rights to effect a Curtailment, in whole or part, of Non-Firm Local Point-to-Point Service, no credit or other adjustment shall be provided as a result of the Curtailment with respect to the charge payable by the Transmission Customer.

In the event Cambridge, the Local Control Center and/or ISO exercises its rights to effect an Interruption, in whole or part, of Non-Firm Local Point-to-Point Service, the charge payable by the customer shall be computed as if the term of service actually rendered were the term of service reserved; provided that an adjustment of the charge shall be made only when the Interruption is initiated by Cambridge, the Local Control Center and/or ISO, not when the customer fails to deliver energy to Cambridge.

8.0 SERVICE AVAILABILITY

8.1 Real Power Losses

Real power losses associated with transactions on Cambridge's Local Network shall be determined based on estimated average system losses for metering points on Cambridge's Local Network; the loss factor will be three percent (3.0%).

8.2 Load Shedding

To the extent that a system contingency exists on the Cambridge Transmission System or the New England Transmission System and Cambridge, the Local Control Center or ISO, as appropriate, determines that it is necessary to shed load, the Parties shall shed load in accordance with the procedures specified by Cambridge, the Local Control Center and/or ISO.

9.0 METERING

Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under this Local Service Scheduling to communicate the information to Cambridge. However, Cambridge reserves the right to determine and approve any and all metering equipment and the metering installation design,

such approval not to be unreasonably withheld.

All meters, including any recording devices or telemetry equipment must be operated and maintained in accordance with ISO Operating Procedures. Unless otherwise agreed, such equipment shall remain the property of Cambridge.

If at any time any metering equipment owned by Cambridge (or the Transmission Customer, if so agreed) is found to be inaccurate in excess of two percent (2%), up or down, the owner of the metering equipment shall cause it to be made accurate or replaced and the meter readings and rate computation for the period of inaccuracy shall be adjusted to correct such inaccuracy so far as the same can be reasonably ascertained, but no adjustment prior to the beginning of the next preceding month shall be made except by agreement of the Parties.

In addition to an annual routine test, the owner of the metering equipment shall cause such equipment to be tested at any time upon written request of the other Party. If such equipment proves accurate within two percent (2%), up or down, the expense of the test shall be borne by the Party requesting the test. The determination of percent accuracy shall be in accordance with the weighted average percent registration as described in ANSI C12.1-1988, Section 6.1.8.1. The owner of the metering equipment shall comply with any reasonable request of the other Party concerning the sealing of meters, the presence of a representative when the seals are broken and tests are made, and other matters affecting the accuracy of the measurement of electricity hereunder.

10.0 COMPENSATION FOR LOCAL POINT-TO-POINT SERVICE

Rates for Firm and Non-Firm Local Point-to-Point Service shall be determined as set forth in the Schedules appended to this Local Service Schedule: Firm Local Point-to-Point Service (Schedule 3) and Non-Firm Local Point-to-Point Service (Schedule 4). Such rates shall be determined on the basis of estimated costs for each Service Year until the actual costs for such Service Year are

determined. Thereafter, payments made on such estimated costs shall be recalculated based on actual data for that Service Year, and an appropriate billing adjustment shall be made pursuant to Section 4 of this Local Service Schedule.

Cambridge shall use this Local Service Schedule to make its Third-Party Sales to be transmitted as Local Point-to-Point Service. Cambridge shall account for such use at the applicable rates, pursuant to Section II.8.5 of the Tariff.

11.0 STRANDED COST RECOVERY

Cambridge may seek to recover stranded costs from the Transmission Customer pursuant to this Local Service Schedule in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, Cambridge must separately file any specific proposed stranded cost charge under Section 205 of the Federal Power Act.

III LOCAL NETWORK SERVICE

12.0 NATURE OF LOCAL NETWORK SERVICE

12.1 Real Power Losses

Real power losses associated with transactions on Non-PTF shall be determined based on estimated average system losses for metering points on Cambridge's Local Network; the loss factor will be three percent (3.0%).

12.2 Metering

Unless agreed otherwise, all meters, including any recording devices or telemetry equipment shall be owned, operated, maintained and tested by Cambridge or its Designated Agent in accordance with ISO Operating Procedures at the Transmission Customer's expense. Cambridge shall provide access to metering data, including telephone line access, which may reasonably be required to facilitate measurement and billing under a Service Agreement at the requesting Party's

expense.

Cambridge reserves the sole right to determine appropriate metering installations. When new metering equipment is required, it shall be supplied by Cambridge, at the Transmission Customer's expense, including applicable taxes, and overhead costs, in conformity with ISO Operating Procedures.

If at any time any metering equipment owned by Cambridge (or Transmission Customer, if so agreed) is found to be inaccurate in excess of two percent (2%), up or down, the owner of the metering equipment shall cause it to be made accurate or replaced and the meter readings and rate computation for the period of inaccuracy shall be adjusted to correct such inaccuracy so far as the same can be reasonably ascertained, but no adjustment prior to the beginning of the next preceding month shall be made except by agreement of the Parties. In addition to an annual routine test, the owner of the metering equipment shall cause such equipment to be tested at any time upon written request of the other Party.

If such equipment proves accurate within two percent (2%), up or down, the expense of the test shall be borne by the Party requesting the test. The determination of percent accuracy shall be in accordance with the weighted average percent registration as described in ANSI C12.1-1988, Section 6.1.8.1. The owner of the metering equipment shall comply with any reasonable request of the other Party concerning the sealing of meters, the presence of a representative when the seals are broken and tests are made, and other matters affecting the accuracy of the measurement of electricity hereunder.

13.0 [Reserved]

14.0 NETWORK RESOURCES

14.1 Operation of Network Resources

The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Cambridge's Control Area such that the output of those facilities exceeds its designated Local Network Load, plus non-firm sales delivered pursuant to Part II of this Local Service Schedule, plus losses. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of Cambridge to respond to an emergency or other unforeseen condition, which may impair or degrade the reliability of the Transmission System.

14.2 Transmission Arrangements for Network Resources Not Physically Interconnected With Cambridge

The Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with Cambridge's Transmission System. Cambridge will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other entity pursuant to Good Utility Practice.

14.3 Use of Interface Capacity by the Network Customer

There is no limitation upon a Network Customer's use of Cambridge's Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) with its Local Network Loads. However, a Network Customer's use of Cambridge's total interface capacity with other transmission systems may not exceed the Network Customer's Load.

14.4 Network Customer Owned Transmission Facilities

The Network Customer that owns existing transmission facilities that are

integrated with Cambridge's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of Cambridge to serve its power and transmission customers. For facilities constructed by the Network Customer subsequent to the Service Commencement Date under this Local Service schedule, the Network Customer shall receive credit where such facilities are jointly planned and installed in coordination with Cambridge. Calculation of the credit shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

15.0 DESIGNATION OF NETWORK LOAD

15.1 Local Network Load

The Network Customer must designate the individual Local Network Loads on whose behalf Cambridge will provide Local Network Service. The Local Network Loads shall be specified in the Service Agreement.

15.2 Local Network Load Not Physically Interconnected with Cambridge

This section applies to both initial designation pursuant to Section 15.1 and the subsequent addition of new Local Network Load not physically interconnected with Cambridge. To the extent that the Network Customer desires to obtain transmission service for a load outside Cambridge's Transmission System, the Network Customer shall have the option of (1) electing to include the entire load as Local Network Load for all purposes under Part III of this Local Service Schedule and designating Network Resources in connection with such additional Local Network Load, or (2) excluding that entire load from its Local Network Load and purchasing Local Point-to-Point Service under this Local Service Schedule.

To the extent that the Network Customer gives notice of its intent to add a new Local Network Load as part of its Local Network Load pursuant to this section, the request must be made through a modification of service pursuant to a new Application.

16.0 LOAD SHEDDING AND CURTAILMENTS

16.1 Procedures

Prior to the Service Commencement Date, Cambridge and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to the OATT with the objective of responding to contingencies on the Transmission System. The Parties will implement such programs during any period when Cambridge, the Local Control Center or ISO, as appropriate, determines that a system contingency exists and such procedures are necessary to alleviate such contingency. Cambridge will notify all affected Network Customers in a timely manner of any scheduled Curtailment.

16.2 Allocation of Curtailments

Cambridge shall, on a non-discriminatory basis, effect a Curtailment of the transaction(s) that effectively relieves the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by Cambridge and Network Customer in proportion to their respective Load Ratio Shares. Cambridge shall not direct the Network Customer to effect a Curtailment of schedules to an extent greater than Cambridge would effect a Curtailment of Cambridge's schedules under similar circumstances.

16.3 Load Shedding

To the extent that a system contingency exists on Cambridge's Transmission System and ISO determines that it is necessary for Cambridge and the Network

Customer to shed load, the Parties shall shed load in accordance with the OATT.

16.4 System Reliability

Any Curtailment of Local Network Service will be not unduly discriminatory relative to Cambridge's use of the Transmission System on behalf of its Native Load Customers. In the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures, Cambridge shall assess a penalty charge. Said penalty charge will be determined in accordance with Section 17.2.

17.0 RATES AND CHARGES

Rates for Local Network Service shall be determined as set forth in this Section 17 on the basis of estimated costs for each Service Year until the actual costs for such Service Year are determined. Thereafter, payments made on such estimated costs shall be recalculated based on actual data for that Service Year, and all appropriate billing adjustments shall be made pursuant to Section 4 of this Local Service Schedule.

The Network Customer shall pay Cambridge for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, consistent with Commission policy, along with the following:

17.1 Monthly Demand Charge

The Network Customer shall pay a Monthly Demand Charge consisting of the higher of (i) the Embedded Cost Charge or (ii) the Incremental Cost Charge. However, during the Transition Period, Transmission Customers whose load, in whole or in part, is directly connected to PTF shall pay a percentage of the Monthly Demand Charge (with respect to the directly connected load) pursuant to Section II.12.2(c) of the Tariff. After the Transition Period, the Transmission Customer shall be relieved of the Monthly Demand Charge (with respect to the directly connected load), but shall continue to pay any other applicable charges under this Local Service

Schedule.

- (i) The Embedded Cost Charge shall be determined by multiplying the Transmission Customer's Load Ratio Share by one twelfth (1/12) of Cambridge's Annual Transmission Costs, (determined in accordance with Attachment D of this Local Service Schedule and subject to an Annual True-up pursuant to Section 4).
- (ii) The Incremental Cost Charge shall be determined from the total costs of all Local Network Upgrades plus other incremental costs incurred as provided for in the Service Agreement as applied to a particular transaction.

If the Incremental Cost Charge is higher, the Transmission Customer shall pay for the facilities necessary to provide it with service during an amortization period, with the Transmission Customer paying the Embedded Cost Charge upon completion of the amortization. Such amortization period shall be coterminous with the Service Agreement.

17.2 Curtailment Penalty Charge

If the Transmission Customer fails to respond to established emergency load shedding and curtailment procedures to relieve emergencies on the transmission system, Cambridge may assess a penalty charge to the Transmission Customer. Said penalty charge will be equal to two (2) times the Monthly Demand Charge for Local Network Service, as calculated in accordance with Section 17.1 of this Local Service Schedule, for the month in which such service was not curtailed or interrupted.

17.3 Charges for Forecasting Errors

If the Transmission Customer provides forecast(s) that actual experience shows to be in error, then the Transmission Customer shall be responsible for any system modifications or other costs that it would have paid if its forecast had been accurate but that it would not pay without this provision based on actual experience and shall be responsible for any curtailment or any costs incurred by Cambridge as a

result of the inaccurate forecast. This calculation shall be done to hold Native Load Customers harmless from erroneous Transmission Customer forecasts. Cambridge shall file any charges arising under this provision with the Commission as an amendment to the applicable Service Agreement.

17.4 Taxes and Fees Charge

17.4.1 If any governmental authority requires the payment of any fee or assessment not specifically provided for in any of the charge or rate provisions under this Local Service Schedule or imposes a sales, gross revenue, or other form of tax with respect to payments made for service provided under this Local Service Schedule, including any applicable interest charged on any deficiency assessment made by the taxing authority, together with any further tax on such payments, the obligation to make payment for any such fee, assessment, or tax shall be borne by the Transmission Customer. Cambridge will make a separate filing with the Commission for recovery of any such costs in accordance with Part 35 of the Commissions Regulations.

17.4.2 If Cambridge incurs tax liability currently for which it will in subsequent years receive tax benefits (for example, a taxable contribution in aid of construction) then Transmission Customer shall pay to Cambridge an amount sufficient to reimburse Cambridge, on a net present value basis, for the reasonably projected costs resulting from the tax liability incurred in the current year less the reasonably projected tax benefits received by Cambridge in future years.

17.4.3 If Cambridge takes a position that any particular transaction under any section of the local Service Schedule does not constitute a transaction of the type described immediately above, and that position is subsequently reversed by Treasury ruling or regulation or court action, then the Transmission

Customer shall pay to Cambridge an amount calculated as described above, but additionally taking into account any interest assessment required to be paid by Cambridge.

17.5 Regulatory Expense Charge

Cambridge shall have the right to make a Section 205 filing for recovery of regulatory expenses associated with this Local Service Schedule, including the Service Agreement(s).

17.6 Customer Related Transaction Charge

Cambridge shall charge the Transmission Customer, in addition to the other charges assessed pursuant to this Local Service Schedule, and as set forth in the Service Agreement, for those costs attributable to the billing, meter reading, record keeping, (all from FERC Uniform System of Accounts Nos. 901-905), and an allocation of administrative and general expenses (FERC Uniform System of Accounts Nos. 920-935) associated with each of these costs, all of which are related to the Transmission Customer's Local Network Service, and allocated on the basis of the total number of customers served by Cambridge.

17.7 Redispatch Charge

The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Network Customer and Commonwealth pursuant to the OATT. To the extent that Commonwealth incurs an obligation to the Network Customer for redispatch costs in accordance with the terms of the OATT, such amounts shall be credited against the Network Customer's bill for the applicable month.

18.0 OPERATING ARRANGEMENTS

18.1 Operating Requirements

The terms and conditions under which the Network Customer shall operate its

facilities and the technical and operational matters associated with the implementation of this Local Service Schedule shall be specified in the OATT. The OATT shall provide for the Parties to:

- (i) operate and maintain equipment necessary for integrating the Network Customer within Cambridge's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment),
- (ii) transfer data between Cambridge and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside Cambridge's Transmission System, interchange schedules, unit outputs for redispatch required under Section 16, voltage schedules, loss factors and other real time data),
- (iii) use software programs required for data links and constraint dispatching,
- (iv) exchange data on forecasted loads and resources necessary for long-term planning, and
- (v) address any other technical and operational considerations required for implementation of this Local Service Schedule, including scheduling protocols.

The OATT will recognize that the Network Customer shall either:

- (i) operate as a Control Area under applicable guidelines of the North American Electric Reliability Council (NERC), Northeast Power Coordinating Council (NPCC) and ISO,
- (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with Cambridge, or

- (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies NERC, NPCC and ISO requirements. Cambridge shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services.

18.2 Network Operating Committee

A Network Operating Committee (Committee) shall be established to coordinate operating criteria for the Parties' respective responsibilities under the OATT. Each Network Customer shall be entitled to have at least one representative on the Committee. The Committee shall meet from time to time as need requires, but no less than once each calendar year.

IV REQUIREMENTS FOR NEW OR MATERIALLY CHANGED GENERATING UNITS

19.0 INTERCONNECTION REQUIREMENTS

If a new generating unit is to be built, or there is a material change to an existing generating unit, within Cambridge's Service Area, an application for service under this Local Service Schedule is required in order to determine the need, if any, for upgrades to the Transmission System and for transmission service. Such a request will initiate the procedures described within Section 7 of Schedule 21 of the OATT and may require an interconnection agreement to be developed between the parties. Cambridge's Standard Interconnection Agreement for generators is attached hereto as Attachment G.

SCHEDULE 1

SCHEDULING, SYSTEM CONTROL AND DISPATCH SERVICE

Scheduling, System Control and Dispatch Service is the service required to schedule the movement of power through, out of, within, or into a Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by Cambridge (if Cambridge is the Control Area operator) or indirectly by Cambridge making arrangements with the Control Area operator that performs this service for Cambridge's Transmission System. The Transmission Customer must purchase this service from Cambridge.

Charges for Scheduling, System Control and Dispatch Service are to be based on the cost of service expenses incurred by Cambridge in the operation of the Local Control Center dispatch center or otherwise, to provide these services. To the extent the Control Area operator performs this service for Cambridge, charges to the Transmission Customer are to reflect a pass-through of the costs charged to Cambridge by that Control Area operator.

The cost of service expenses or revenue requirement incurred in providing Scheduling, System Control and Dispatch Service for transmission service will be determined by using costs from the Service Year. Such costs will be determined from FERC Form 1 data if available, or if not available, from other supporting data certified by an auditor of the company, and in a format comparable to that used to report such costs in FERC Form 1. Such costs shall be based on

actual data in lieu of allocated data if specifically identified in the Form 1 report. The cost of service expenses or revenue requirement incurred in providing Scheduling, System Control and Dispatch Service are excluded from the development of the Transmission Revenue Requirement in Attachment D of this Local Service Schedule.

Local Network Service:

The rate per kilowatt for each month is one-twelfth of the amount derived by dividing the total annual cost of service expenses for providing the service by the sum of the average of Cambridge's Monthly Transmission System Load during such Service Year. The charge for Scheduling, System Control and Dispatch Services will equal the product of the rate for the specified time period and the Transmission Customer's applicable Local Network Load.

Firm Local Point-To-Point Service:

The rate per kilowatt - year is derived by dividing the total annual cost of service expenses for providing the service by the maximum amount of Cambridge's Monthly Transmission System Load during such Service Year. The monthly rate shall be one-twelfth (1/12) of the annual rate. The weekly rate shall be one-fifty second (1/52) of the annual rate. The daily rate shall be one-three hundred and sixty fifth (1/365) of the annual rate. The hourly rate shall be one-eight thousand seven hundred and sixtieth (1/8760) of the annual rate. The charge for Scheduling, System Control and Dispatch Services will equal the product of the rate for the specified time period and the applicable Reserved Capacity.

Non-Firm Local Point-To-Point Service:

The rate per kilowatt - year is derived by dividing the total annual cost of service expenses for providing the service by the sum of the average of Cambridge's Monthly System Capability during such Service Year. The monthly rate shall be on-twelfth (1/12) of the annual rate. The weekly rate shall be one-fifty second (1/52) of the annual rate. The daily rate shall be one-three hundred and sixty fifth (1/365) of the annual rate. The hourly rate shall be one-eight thousand seven hundred and sixtieth (1/8760) of the annual rate. The charge for Scheduling, System Control and Dispatch Services will equal the product of the rate for the specified time period and the applicable Reserved Capacity.

Definitions:

Dispatch Center Wages and Salaries Allocation Factor: Ratio of Dispatch Center Related Direct Wages and Salaries to total Direct Wages and Salaries excluding Administrative and General Wages and Salaries.

Dispatch Center Plant Allocation Factor: Ratio of Total Investment in Dispatch Center Plant, plus Dispatch Center Transmission Related Distribution Plant, plus Dispatch Center Related Intangible and General Plant, to Total Plant in service.

The Revenue Requirement for the Scheduling System Control and Dispatch Service shall equal the sum of the Cambridge's: (A) Return and Associated Income Taxes, (B) Dispatch Center Depreciation and Amortization Expense, (C) Dispatch Center Related Amortization of

Investment Tax Credits, (D) Dispatch Center Related Municipal Tax Expense, (E) Dispatch Center Related Payroll Tax Expense (F) Dispatch Center Operation and Maintenance Expense, (G) Dispatch Center Transmission Related Distribution Operations and Maintenance Expense and (H) Dispatch Center Related Administrative and General Expense, minus (I) Scheduling, System Control and Dispatch Revenues received from the ISO pursuant to Schedule 1 of the Tariff, excluding any incremental revenues associated with FERC approved adders for RTO participation and new transmission investment.

A. Return and Associated Income Taxes shall equal the product of the Dispatch Center Investment Base and the Cost of Capital Rate.

1. The Dispatch Center Investment Base will consist of (a) Dispatch Center Plant in FERC accounts 350-359, plus (b) Dispatch Center Transmission Related Distribution Plant as recorded in FERC Accounts 360,361, 362, 366, and 367, which is operated at the 13.8kv level, plus (c) Dispatch Center Related Intangible and General Plant, plus (d) Dispatch Center Plant Held for Future Use, less (e) Dispatch Center Related Depreciation Reserve, less (f) Dispatch Center Related Accumulated Deferred Taxes, plus (g) Dispatch Center Other Regulatory Assets, plus (h) Dispatch Center Prepayments, plus (i) Dispatch Center Materials and Supplies, plus (j) Dispatch Center Related Cash Working Capital.

- a. Dispatch Center Plant will equal the year-end balance of the Cambridge's Investment in the Dispatch Center per FERC accounts 350 through 359.

Dispatch Center Plant Investment is not included in the transmission investment in the Attachment D revenue requirement

- b. Dispatch Center Transmission Related Distribution Plant shall equal the year-end balance of Cambridge's Investment in the Distribution Plant Dispatch Center as recorded in FERC Accounts 360,361, 362, 366, and 367, which is operated at the 13.8kv level. Dispatch Center Transmission Related Distribution Plant is not included in the transmission related distribution plant investment in the Attachment D revenue requirement.
- c. Dispatch Center Related Intangible and General Plant shall equal Cambridge's year-end balance of Investment in Intangible and General Plant multiplied by the Dispatch Center Wages and Salaries Allocation Factor described above.
- d. Dispatch Center Plant Held for Future Use shall equal the year-end balance of Transmission related and Transmission Related Distribution Dispatch Center Investment in FERC account 105.
- e. Dispatch Center Related Depreciation Reserve shall equal the year-end balance of Transmission Dispatch Center Depreciation Reserve, plus the year-end balance of the Dispatch Center Transmission Related Distribution Reserve, plus the year-end balance of Dispatch Center

Related Intangible Plant Amortization and General Plant Depreciation Reserve. Dispatch Center Transmission Related Distribution Reserve shall equal the depreciation reserves associated with each of the Distribution Accounts, as recorded in FERC Accounts 360, 361, 362, 366, and 367, multiplied by the ratio of each individual Dispatch Center Transmission Related Distribution Plant Account to the Total Distribution Plant Account. Dispatch Center Related Intangible Plant Amortization and General Plant Depreciation Reserve shall equal the product of Intangible Plant Amortization and General Plant Depreciation Reserve and the Dispatch Center Wages and Salaries Allocation Factor described above.

- f. Dispatch Center Related Accumulated Deferred Taxes shall equal the year-end balance of Total Accumulated Deferred Income Taxes for those balances that are directly related to transmission or not directly related to other businesses , with the remaining accumulated deferred taxes being allocated on the same basis used for the related rate base assets.
- g. Dispatch Center Other Regulatory Assets shall equal the year-end balance of FAS 106 multiplied by the Dispatch Center Wages and Salaries Allocation Factor described above and the year-end balance of FAS 109, net of FAS 109 liability, multiplied by the Dispatch Center Plant Allocation Factor described in above.

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- h. Dispatch Center Prepayments shall equal the year-end balance of Prepayments multiplied by the Dispatch Center Wages and Salaries Allocation Factor described above.
- i. Dispatch Center Materials and Supplies shall equal the year-end balance of Transmission Plant and Transmission Related Distribution Plant Materials and Supplies multiplied times the Dispatch Center Plant Allocation Factor described above.
- j. Dispatch Center Related Cash Working Capital shall be a 12.5% allowance (45 days/360 days) of Dispatch Center Transmission Related Operation and Maintenance Expense, Dispatch Center Transmission Related Distribution Operations and Maintenance Expense, and Dispatch Center Transmission Related Administrative and General Expense.
2. The Cost of Capital Rate shall equal (a) the Weighted Cost of Capital, plus (b) Federal Income Taxes, plus (c) State Income Taxes.
- a. the Weighted Cost of Capital will be calculated based upon the Cambridge's capital structure at the end of each year and will equal the sum of (i), (ii) and (iii) below.

- i. the Long Term Debt Component, which equals the product of the actual weighted average embedded cost to maturity of Long Term Debt then outstanding and the ratio that Long-Term Debt is to Total Capital.
- ii. the Preferred Stock Component, which equals the product of the actual weighted average embedded cost to maturity of Preferred Stock then outstanding and the ratio that Preferred Stock is to Total Capital.
- iii. the Return on Equity Component, which equals the product of Cambridge's Return on Equity and the ratio that Common Equity is to Total Capital. The Return on Equity shall be 12.8%.

- b. Federal Income Taxes shall equal

$$\frac{A + [(C+B)/D] \times FT}{1 - FT}$$

Where FT is the Federal Income Tax Rate and A is the sum of the Preferred Stock Component and the Return on Equity Component, as determined in Sections A.2.(a)(ii) and (iii) above, B is Dispatch Center Related Amortization of Investment Tax Credits, as determined in Section II.D. below, C is the Equity AFUDC component of Dispatch Center Depreciation Expense, as defined in Section B., and D is Dispatch Center Investment Base, as determined in A.1., above.

- c. State Income Taxes shall equal

$$\frac{(A + [(C+B)/D] + \text{Federal Income Tax}) \times ST}{1 - ST}$$

Where ST is the State Income Tax Rate and A is the sum of the Preferred Stock Component and the Return on Equity Component, as determined in Section A.2.(a)(ii), and Section A.2.(a)(iii) above, and Federal Income Tax is the rate determined in Section A.2.(b) above

- B. Dispatch Center Depreciation and Amortization Expense shall equal the sum of Transmission Depreciation Expense for Dispatch Center Plant, plus the Depreciation Expense for the Dispatch Center Transmission Related Distribution Plant calculated to be equal to the depreciation expense associated with each of the Distribution Plant Accounts, as recorded in FERC Accounts 360, 361, 362, 366, and 367, multiplied by the ratio of each of the individual Dispatch Center Transmission Related Distribution Plant Account to the Total Distribution Plant Account, plus an allocation of Intangible Plant Amortization Expense and General Plant Depreciation Expense calculated by multiplying the Intangible Plant Amortization Expense and General Plant Depreciation Expense by the Dispatch Center Wages and Salaries Allocation Factor, described above.
- C. Dispatch Center Related Amortization of Investment Tax Credits shall equal Cambridge's Amortization of Investment Tax Credits multiplied by the Dispatch Center Plant Allocation Factor described above.

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- D. Dispatch Center Related Municipal Tax Expense shall equal Cambridge's total Municipal Tax Expense multiplied by the Dispatch Center Plant Allocation Factor described above.
- E. Dispatch Center Related Payroll Tax Expense shall equal Cambridge's total electric payroll tax expense, multiplied by the Dispatch Center Wages and Salaries Allocation Factor, described above.
- F. Dispatch Center Operation and Maintenance Expense shall equal all expenses related to SCADA operation charged to FERC Account Number 561, excluding any Scheduling, System Control and Dispatch expenses charged by the ISO pursuant to Schedule 1 of the Tariff and REMVEC II expenses.
- G. Dispatch Center Transmission Related Distribution Operations and Maintenance Expense shall equal the Distribution Operations and Maintenance Expenses as recorded in FERC Account 581 associated with 13.8kv voltage levels.
- H. Dispatch Center Related Administrative and General Expenses shall equal the sum of (1) Cambridge's Administrative and General Expenses, excluding Accounts 924, 928 and 930.1, multiplied by the Dispatch Center Wages and Salaries Allocation Factor, and (2) Property Insurance multiplied by the Dispatch Center Plant Allocation Factor, plus any other Federal and State Dispatch Center related expenses or assessments, plus specific Dispatch Center related expenses included in Account 930.1.

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- I. Scheduling, System Control and Dispatch Revenues received from the ISO shall equal revenues received pursuant to Schedule 1 of the Tariff, excluding any incremental revenues associated with FERC approved adders for RTO participation and new transmission investment.

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SCHEDULE 2
SUPPLEMENTAL END-USE REACTIVE SUPPORT SERVICE

In the event that power factor levels and reactive supply requirements set forth in the service agreement or other associated operating or interconnect agreement are not maintained by the Delivering Party (or, as appropriate, the Receiving Party), in accordance with applicable ISO standards and practices then Cambridge shall charge the Transmission Customer to take corrective action. The Transmission Customer shall compensate Cambridge for installing the necessary equipment to correct the incremental difference between the Transmission Customer's lowest (or highest) power factor level and that which is an acceptable level in accordance with ISO standards and practices. The charges will be based upon the necessary level of reactive power supply required to correct the deficiency in the power factor level.

For the KVAR demand supplied to the Transmission Customer, the charge shall be the greater of a) the market price of installing leading reactive power supply expressed in terms of \$/KVAR or b) \$50/KVAR of installed (leading) reactive power reflecting current Cambridge cost.

For the KVAR demand absorbed by Cambridge, the charge shall be the greater of a) the market price of installing lagging reactive power supply expressed in terms of \$/KVAR or b) \$22.5/KVAR of installed (lagging) reactive power reflecting current Cambridge cost.

Issued by: Ellen K. Angley
Vice President
Cambridge Electric Light Company
Issued on: December 22, 2004

Effective: With notice, on or after February 1, 2005

SCHEDULE 3
LONG-TERM FIRM AND SHORT-TERM FIRM
LOCAL POINT-TO-POINT SERVICE

The Transmission Customer shall compensate Cambridge for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, consistent with Commission policy, along with the following charges as applicable:

1) Annual Rate

The Annual Rate for Firm Local Point-to-Point Service shall consist of the higher of (i) the Embedded Cost Charge or (ii) the Incremental Cost Charge, as set forth below:

(i) The Embedded Cost Charge shall be determined by dividing Cambridge's Annual Transmission Costs (determined in accordance with Attachment D of this Local Service Schedule) by the maximum amount of Cambridge's Monthly Transmission System Load during such Service Year.

(ii) The Incremental Cost Charge shall be determined from the total costs of all Local Network Upgrades plus other incremental costs incurred provided for in the Service Agreement application to a transaction. If the Incremental Cost Charge is higher, the Transmission Customer shall pay for the facilities necessary to provide it with service during an amortization period, with the Transmission Customer paying the Embedded Cost Charge upon completion of the amortization. Such amortization period shall be coterminous with the Service Agreement.

2) Firm Local Point-to-Point Service for Monthly Transactions or Longer Term Transactions

The charge for each month applicable to a monthly transaction or longer term transaction (the "Monthly Rate") shall be determined as the product of: (a) Cambridge's Annual Rate for Firm Local Point-to-Point Service divided by twelve (12) months and (b) the

Reserved Capacity set forth in the Transmission Customer's applicable Service Agreement for such month, expressed in kilowatts.

3) Firm Local Point-to-Point Service for Less Than One Month

Cambridge's Weekly Rate is equal to Cambridge's Annual Rate for Firm Local Point-to-Point Service divided by fifty-two (52) weeks. Cambridge's Daily Rate is equal to Cambridge's Annual Rate for Firm Local Point-to-Point Service divided by three hundred and sixty-five (365) days. Cambridge's Hourly Rate is equal to Cambridge's Annual Rate for Firm Local Point-to-Point Service divided by eight thousand seven hundred and sixty (8,760) hours.

The Transmission Customer shall pay the Weekly, Daily or Hourly Rate, as applicable, times the Reserved Capacity set forth in the Transmission Customer's applicable Service Agreement.

4) Penalty

When the Transmission Customer exceeds its Reserved Capacity for any hour (Excess Incident), Cambridge will charge the Transmission Customer 200% of the charge which is otherwise applicable for each kilowatt of the excess for each hour it occurs. All Excess Incidents will be recorded by Cambridge, and if in any calendar year more than ten (10) Excess Incidents occur in connection with service for the Transmission Customer, then Cambridge may require the Transmission Customer to apply for additional Firm Local Point-to-Point Service under this Local Service Schedule in the amount equal to the highest Excess Incident during that Service Year. Charges for such additional transmission service will relate back to the first day of the month following the month of Cambridge's notice.

5) Curtailed Penalty Charge

If the Transmission Customer fails to respond to established emergency load shedding and curtailment procedures to relieve emergencies on the Transmission System,

Cambridge may assess a penalty charge to the Transmission Customer. Said penalty charge will be equal to two (2) times the Monthly Rate for Firm Local Point-to-Point Service for the month in which such service was not curtailed or interrupted.

6) Taxes and Fees Charge

- A) If any governmental authority requires the payment of any fee or assessment not specifically provided for in any of the charge or rate provisions under this Local Service Schedule or imposes a sales, gross revenue, or other form of tax with respect to payments made for service provided under this Local Service Schedule, including any applicable interest charged on any deficiency assessment made by the taxing authority, together with any further tax on such payments, the obligation to make payment for any such fee, assessment, or tax shall be borne by the Transmission Customer. Cambridge will make a separate filing with the Commission for recovery of any such costs in accordance with Part 35 of the Commission's Regulations.
- B) If Cambridge incurs tax liability currently for which it will, in subsequent years, receive tax benefits (for example, a taxable contribution in aid of construction), the Transmission Customer shall pay to Cambridge an amount sufficient to reimburse Cambridge, on a net present value basis, for the reasonably projected costs resulting from the tax liability incurred in the current year less the reasonably projected tax benefits received by Cambridge in future years.
- C) If Cambridge takes a position that any particular transaction under any section of this Local Service Schedule does not constitute a transaction of the type described immediately above, and that position is subsequently reversed by Treasury ruling or regulation, or court action, then the Transmission Customer shall pay to Cambridge an amount calculated as described above but additionally taking into account any interest assessment required to be paid by Cambridge.

7) Regulatory Expense Charge

Cambridge shall have the right to make a Section 205 filing for recovery of regulatory expenses associated with this Local Service Schedule and the Service Agreement(s).

8) Customer-Related Expense Charge

Cambridge shall charge the Transmission Customer, in addition to the other charges assessed pursuant to this Local Service Schedule, and as set forth in its Service Agreement for those costs attributable to the billing, meter reading, record keeping, (all from FERC Uniform System of Accounts Nos. 901-905) and an allocation of administrative and general expenses (FERC Uniform System of Accounts Nos. 920-935) associated with each of these costs, all of which are related to the service provided to the Transmission Customer under this Local Service Schedule and allocated on the basis of the total number of customers served by Cambridge .

9) Exchanges

With respect to any transactions that involve an exchange, each party to such transaction shall be an individual Transmission Customer under this Local Service Schedule. Accordingly, a transmission charge, as applicable, will be calculated for, and a separate bill will be rendered to, each such Transmission Customer.

10) Discounts

Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by Cambridge must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, Cambridge must offer the same discounted transmission service rate for the same time period to all Eligible Customers on

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all unconstrained transmission paths that go to the same point(s) of delivery on the
Transmission System.

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Vice President
Cambridge Electric Light Company
Issued on: December 22, 2004

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SCHEDULE 4
NON-FIRM LOCAL POINT-TO-POINT SERVICE

The Transmission Customer shall compensate Cambridge for Non-Firm Local Point-to-Point Service up to the sum of the applicable charges set forth below:

1) Annual Rate

The Annual Rate for Non-Firm Local Point-to-Point Service shall equal Cambridge's Annual Transmission Costs (determined in accordance with Attachment D of this Local Service Schedule) for the Service Year divided by the Cambridge's twelve-month average System Capability for the Service Year.

2) Non-Firm Local Point-to-Point Service for Monthly Transactions or Longer Term Transactions

The charge for each month applicable to a monthly transaction or longer term transaction (the "Monthly Rate") shall be determined as the product of: (a) Cambridge's Annual Rate for Non-Firm Local Point-to-Point Service divided by twelve (12) months and (b) the Reserved Capacity set forth in the Transmission Customer's applicable Service Agreement for such month, expressed in kilowatts.

3) Non-Firm Local Point-to-Point Service for Less Than One Month

Cambridge's Weekly Rate is equal to Cambridge's Annual Rate for Non-Firm Local Point-to-Point Service divided by fifty-two (52) weeks.

Cambridge's Daily Rate is equal to Cambridge's Annual Rate for Non-Firm Local Point-to-Point Service divided by three hundred and sixty-five (365) days.

Cambridge's Hourly Rate is equal to Cambridge's Annual Rate for Non-Firm Local Point-to-Point Service divided by eight thousand seven hundred and sixty (8,760) hours.

The Transmission Customer shall pay the Weekly, Daily or Hourly Rate, as applicable, time the Reserved Capacity set forth in the Transmission Customer's applicable Service

Agreement.

4) Credit to the Transmission Charge

Whenever service provided hereunder is interrupted or curtailed by Cambridge, or its Designated Agent, including ISO, the charges to the Transmission Customer calculated pursuant to Sections 2 and 3 of this Schedule 4 shall be credited by an amount equal to the sum of the credits calculated for each hour of interruption or curtailment in service. The credit to the Transmission Customer for each hour of interruption or curtailment shall be calculated as the product of (a) Cambridge's Hourly Rate and (b) the kilowatts of service interruption or curtailment during such hour.

5) Penalty

When the Transmission Customer exceeds its Reserved Capacity for any hour (Excess Incident), Cambridge will charge the Transmission Customer 200% of the charge which is otherwise applicable for each kilowatt of the excess for each hour it occurs. All Excess Incidents will be recorded by Cambridge, and if in any calendar year more than ten (10) Excess Incidents occur in connection with service for the Transmission Customer, then Cambridge may require the Transmission Customer to apply for additional Non-Firm Local Point-to-Point Service under this Local Service Schedule in the amount equal to the highest Excess Incident during that Service Year. Charges for such additional Non-Firm Local Point-to-Point Service will relate back to the first day of the month following the month of Cambridge's notice.

6) Curtailed Penalty Charge

If the Transmission Customer fails to respond to established emergency load shedding and curtailment procedures to relieve emergencies on the Transmission System, Cambridge may assess a penalty charge to the Transmission Customer. Said penalty charge will be equal to two (2) times the monthly demand charge for Non-Firm Local Point-to-Point Service for the month in which such service was not curtailed or interrupted.

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7) Taxes and Fees Charge

- A) If any governmental authority requires the payment of any fee or assessment not specifically provided for in any of the charge or rate provisions under this Local Service Schedule or imposes a sales, gross revenue, or other form of tax with respect to payments made for service provided under this Local Service Schedule, including any applicable interest charged on any deficiency assessment made by the taxing authority, together with any further tax on such payments, the obligation to make payment for any such fee, assessment, or tax shall be borne by the Transmission Customer. Cambridge will make a separate filing with the FERC for recovery of any such costs in accordance with Part 35 of the FERC's Regulations.
- B) If Cambridge incurs tax liability currently for which it will, in subsequent years, receive tax benefits (for example, a taxable contribution in aid of construction), the Transmission Customer shall pay to Cambridge an amount sufficient to reimburse Cambridge, on a net present value basis, for the reasonably projected costs resulting from the tax liability incurred in the current year less the reasonably projected tax benefits received by Cambridge in future years.
- C) If Cambridge takes a position that any particular transaction under any section of this Local Service Schedule does not constitute a transaction of the type described immediately above, and that position is subsequently reversed by Treasury ruling or regulation, or court action, then the Transmission Customer shall pay to Cambridge an amount calculated as described above but additionally taking into account any interest assessment required to be paid by Cambridge.

8) Regulatory Expense Charge

Cambridge shall have the right to make a Section 205 filing for recovery of regulatory expenses associated with this Local Service Schedule, including the Service Agreement(s).

9) Customer-Related Transaction Charge

Issued by: Ellen K. Angley
Vice President
Cambridge Electric Light Company
Issued on: December 22, 2004

Effective: With notice, on or after February 1, 2005

Cambridge shall charge the Transmission Customer, in addition to the other charges assessed pursuant to this Local Service Schedule, and as set forth in the Service Agreement for those costs attributable to the billing, meter reading, record keeping, (all from FERC Uniform System of Accounts Nos. 901-905) and an allocation of administrative and general expenses (FERC Uniform System of Accounts Nos. 920-935) associated with each of these costs, all of which are related to the service provided to the Transmission Customer under this Local Service Schedule and allocated on the basis of the total number of customers served by Cambridge.

10) Exchanges

With respect to any transactions that involve an exchange, each party to such transaction shall be an individual Transmission Customer under this Local Service Schedule. Accordingly, a transmission charge, as applicable, will be calculated for, and a separate bill will be rendered to, each such Transmission Customer.

11) Discounts

Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by the Cambridge must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, Cambridge must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

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First Revised Sheet No. 2039
Superseding Original Sheet No. 2039

[Sheet Nos. 2039 through 2043 are reserved for future use.]

Issued by: Geoffrey O. Lubbock
Vice President
Cambridge Electric Light Company
Issued on: March 31, 2005

Effective: April 1, 2005

ATTACHMENT A
METHODOLOGY TO ASSESS AVAILABLE TRANSMISSION CAPABILITY

Evaluation and determination of Total Transfer Capability (TTC) over Control Area-to-Control Area interfaces and internal Control Area interfaces/limitations necessary to establish the Available Transmission Capacity (ATC) which is normally directed by and the responsibility of ISO. Cambridge will estimate ATC as the amount of unused capacity remaining after considering Cambridge's Total Transmission Capacity, as determined in ISO's analysis, and Cambridge's existing and pending Firm Local Point-to-Point Service and Local Network Service commitments. The following outlines the methodology that Cambridge will employ when necessary, to estimate whether sufficient transmission transfer capacity is available to satisfy a Completed Application.

1. ATC is the amount of unused TTC after consideration of reliability requirements to:
 - meet native load requirements
 - meet obligations of existing Firm Local Point-to-Point Service and Local Network Service under this Local Service Schedule
 - meet obligations of pending Completed Applications for Firm Local Point-to-Point Service and Local Network Service under this Local Service Schedule
2. Guidelines and Principles: When estimating ATC, Cambridge will apply the following, as amended and/or adopted from time to time:
 - Good Utility Practice
 - Criteria, rules and reliability standards applicable to the New England Transmission System
 - NPCC criteria and guidelines
 - Cambridge guidelines
3. Transmission System Model Representation: When the TTC of an interface is not available

from ISO analysis, Cambridge will estimate TTC using a transmission system model based on a library of load flow cases prepared by ISO for studies of the New England area. The models may include representations of other NPCC and neighboring systems. These load flow cases include individual system model representations provided by Transmission Owners and represent forecasted system conditions for up to ten (10) years into the future. This library of load flow cases is maintained and updated as appropriate by ISO, and is consistent with information filed under FERC Form 715. Cambridge will use system models that it deems appropriate for study of the Completed Application for service. Additional system models and operating conditions, including assumptions specific to a particular analysis, may be developed for conditions not available in the library of load flow cases. The system models may be modified, if necessary, to include additional system information on load, transfers and configuration, as it becomes available.

4. Contingency Analysis: When TTC from ISO analysis is not available and is required to establish ATC, Cambridge will perform, if necessary, analysis to estimate TTC. TTC and ATC will be estimated for point-to-point transfers based on First Contingency Total Transfer Capability (FCTTC) and First Contingency Incremental Transfer Capability (FCITC). The ATC will be the incremental transfer capability of the Transmission System following the loss of the most critical element while maintaining thermal, and stability performance of the system within acceptable regional practices and consistent with the guidelines of Item 2 above.
5. Determination of Available Transmission Capacity: Cambridge will estimate ATC based on making appropriate adjustments for Firm Local Point-to-Point Service reservations in the direction of the requested transfer. Establishment of ATC will include requirements indicated in Item 1 above and will be the minimum of the remaining capacity estimated from conditions studied for the FCITC in Item 4 above. To the extent practicable, Cambridge will rely on existing transmission planning studies in making such estimates.

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6. Jointly Owned or Controlled Transmission Facilities: Cambridge, where it jointly owns or controls transmission with other utilities or adjoining areas, will consider in its determination of ATC its entitlements for use of such lines in accordance with provisions of this Local Service Schedule and consistent with pre-existing agreements on its rights governing such use. Obtaining firm transmission service over other utilities facilities is the responsibility of the requesting Eligible Customer/Transmission Customers.
 7. Available Capacity Different from Amount Requested: In accordance with the terms and conditions of this Local Service Schedule, the requesting Eligible Customer/Transmission Customer will be notified of the ATC for the terms identified on its Completed Application.

Issued by: Ellen K. Angley
Vice President
Cambridge Electric Light Company
Issued on: December 22, 2004

Effective: With notice, on or after February 1, 2005

ATTACHMENT B

METHODOLOGY FOR COMPLETING A SYSTEM IMPACT STUDY

When Cambridge determines on a non-discriminatory basis that a System Impact Study is needed because its Transmission System will be inadequate to accommodate a Completed Application for service, the following outlines the study methodology that Cambridge will employ to estimate the Transmission System impact of a Completed Application for Firm Local Point-to-Point Service, Network Integration Service and/or any costs associated with system redispatch, Direct Assignment Facilities and/or Local Network Upgrades that would be incurred in order to accommodate the service requested in the Completed Application.

1. System Impact will be estimated based on consideration of reliability requirements to:
 - meet obligations under agreements that predate this Local Service Schedule;
 - meet obligations of existing and pending Completed Application under this Local Service Schedule;
 - maintain thermal, voltage and stability system performance within acceptable regional practices.
2. Guidelines and Principles followed by Cambridge: When performing the System Impact Study, Cambridge will apply the following, as amended and/or adopted from time to time.
 - Good Utility Practice;
 - Criteria, rules and reliability standards applicable to the New England Transmission System;
 - NPCC criteria and guidelines; and
 - Cambridge criteria and guidelines.
3. Transmission System Model Representation: The Transmission System model will be based on a library of load flow cases prepared by ISO for studies of the New England area. The

models may include representations of other NPCC and neighboring systems. These load flow cases include individual system model representations provided by Transmission Owners and represent forecasted system conditions for up to ten (10) years into the future. This library of load flow cases is maintained and updated as appropriate by ISO, and is consistent with information filed under FERC Form 715. Cambridge will use system models that it deems appropriate for study of the Completed Application for service. Additional system models and operating conditions, including assumptions specific to a particular analysis, may be developed for conditions not available in the library of load flow cases. The system models may be modified, if necessary, to include additional system information on load, transfers and configuration, as it becomes available.

4. System Conditions: Loading of all Transmission System elements shall be less than normal ratings for pre-contingency conditions and less than long-term emergency (LTE) ratings for post-contingency conditions. Post-contingency loading above LTE rating and less than short-term emergency (STE) rating may be allowed where demonstrated that loading can be reduced below the LTE rating within fifteen (15) minutes.

Transmission System voltage shall be within the applicable design ratings of connected equipment for normal and emergency conditions. Normal and post-contingency voltages shall be in accordance with Cambridge and ISO standards.

5. Short Circuits: Transmission System short circuit currents shall be within the applicable equipment design ratings.
6. Study Analysis: System impact of the integration of new generators will be evaluated to meet the requirements of design, identified in the guidelines and principles under Item 2 above, to provide sufficient transmission capability to maintain stability and to maintain thermal and voltage levels of lines and equipment within applicable limits. The same applies to the evaluation of Firm Local Point-to-Point Service when it has been determined that insufficient transmission capacity is available and the Eligible Customer requests a System

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- `Impact Study be conducted.
7. Loss Evaluation: The impact of losses on the Transmission System will be taken into account in the System Impact Study to ensure Good Utility Practice in the design and operation of its system.
 8. System Protection: Protection requirements will be evaluated by Cambridge in accordance with ISO, NPCC, and Cambridge criteria.
 9. Approvals: Cambridge will conduct the System Impact Study to ensure compliance with its planning and design policies and practices. However, the actions to be taken by the Parties to implement the recommendations of the System Impact Study are subject to approval under the Tariff.
 10. Study Scope and Reporting: The study will determine the impacts and identify changes required, if any, to Cambridge's existing Transmission System. Cambridge will provide the Eligible Customer with a written report of the physical interconnection alternative(s), required Cambridge system additions and/or modifications, if any, associated study grade cost estimates (+/- 25%) and the results of the analysis.

Issued by: Ellen K. Angley
Vice President
Cambridge Electric Light Company
Issued on: December 22, 2004

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ISO New England Inc.
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ATTACHMENT C
INDEX OF POINT-TO-POINT SERVICE CUSTOMERS

<u>Customer</u>	<u>Date of Service Agreement</u>
Cambridge Electric Light Company	December 24, 1996
Commonwealth Electric Company	December 24, 1996
Equitable Power Services Company	December 24, 1996
Massachusetts Bay Transportation Authority	September 1, 1993
The Power Company of America	December 13, 1996
Western Power Services, Inc.	December 24, 1996
Williams Energy Services Company	January 15, 1998
Cinergy Capital & Trading, Inc.	January 26, 1998
Mirant Kendall, LLC	July 6, 1998
Merchant Energy Group of the Americas, Inc.	February 26, 1999
Strategic Energy Ltd.	May 11, 1999
DukeSolutions, Inc.	May 18, 1999
HQ Energy Services (US) Inc.	September 27, 2001
Mirant Americas Energy Marketing	January 11, 2002
NRG Power Marketing, Inc.	May 1, 2002

Issued by: Ellen K. Angley
Vice President
Cambridge Electric Light Company
Issued on: December 22, 2004

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ATTACHMENT D

ANNUAL TRANSMISSION REVENUE REQUIREMENTS

The Transmission Revenue Requirements for Cambridge will reflect the costs for its Transmission System, including costs attributable to those incurred by Cambridge in owning, leasing, maintaining and supporting the Transmission System. The Transmission Revenue Requirements will be an annual calculation based on the costs for its Transmission System during the Service Year. Such costs will be determined from FERC Form 1 data if available, or if not available, from other supporting data certified by an auditor of Cambridge, and in a format comparable to that used to report such costs in FERC Form 1. Such costs shall be based on actual data in lieu of allocated data if specifically identified in the Form 1 report. Any applicable Scheduling, System Control and Dispatch Services costs as developed in Schedule 1 of the Local Service Schedule will be excluded from the development of the Transmission Revenue Requirement.

I. DEFINITIONS

Capitalized terms not otherwise defined in Section II.1 of the OATT or the Local Service Schedule and as used herein have the following definitions:

A. ALLOCATION FACTORS

1. Transmission Wages and Salaries Allocation Factor shall equal the ratio of transmission-related and transmission-related distribution direct wages and

salaries including those of affiliated companies, less direct wages and salaries of Cambridge's Dispatch Center included in Schedule 1, to Cambridge's total direct wages and salaries including those of the affiliated companies and excluding administrative and general wages and salaries.

2. Plant Allocation Factor shall equal the ratio of the sum of (1) Total Investment in Transmission Plant, excluding HQ leases and excluding Cambridge's Transmission Plant Investment in its own Dispatch Center, plus (2) Transmission Related Distribution Plant, excluding Cambridge's Transmission Related Distribution Plant Investment in its own Dispatch Center plus (3) Transmission Related Intangible and General Plant to Total Plant in Service excluding HQ Leases.

B. TERMS

Administrative and General Expense shall equal the expenses as recorded in FERC Account Nos. 920-935, excluding FERC Account Nos. 924, 928 and 930.1.

Amortization of Loss on Reacquired Debt shall equal the expenses as recorded in FERC Account No. 428.1.

Amortization of Investment Tax Credits shall equal the credits as recorded in FERC Account No. 411.4.

Depreciation Expense for Transmission Plant shall equal the transmission expenses as recorded in FERC Account No. 403, adjusted to exclude any transmission plant depreciation expense related to Cambridge's Dispatch Center.

Depreciation Expense for the Transmission Related Distribution Plant shall equal the depreciation expense, as recorded in FERC Account No. 403, associated with each of the Distribution Plant Accounts, as recorded in FERC Accounts 360, 361, 362, 366, and 367, multiplied by the ratio of each of the individual Transmission Related Distribution Plant Accounts to the Total Distribution Plant Account.

General Plant shall equal the gross plant balance as recorded in FERC Account Nos. 389-399.

General Plant Depreciation Expense shall equal the general expenses as recorded in FERC Account Nos. 403-404.

General Plant Depreciation Reserve shall equal the general reserve balance as recorded in FERC Account No. 108.

Hydro-Quebec DC Facilities (HQ Leases) shall equal the balance in capital leases as recorded in FERC Account Nos. 350-359 and FERC Account Nos. 389-399.

Intangible Plant shall equal the gross plant balance as recorded in FERC Account Nos. 301-303.

Intangible Plant Amortization Expense shall equal amortization expenses as recorded in FERC Account Nos. 404-405.

Intangible Plant Amortization Reserve shall equal the amortization reserve balance as recorded in FERC Account No. 111.

Other Regulatory Assets/Liabilities - FAS 106 shall equal the net of the FAS 106 balance as recorded in FERC Account 182.3 and any FAS 106 balance as recorded in the FERC Account No. 254.

Other Regulatory Assets/Liabilities - FAS 109 shall equal the net of the FAS 109 balance in FERC Account No. 182.3 and any FAS 109 balance as recorded in the FERC Account No. 254.

Payroll Taxes shall equal those payroll expenses as recorded in the FERC Account Nos. 408.1.

Plant Held for Future Use shall equal the balance in FERC Account No. 105.

Prepayments shall equal the prepayment balance as recorded in FERC Account No. 165.

Property Insurance shall equal the expenses as recorded in FERC Account No. 924.

Total Accumulated Deferred Income Taxes shall equal the net of the deferred tax balance as recorded in FERC Account Nos. 281-283 and 190 for those balances that are directly related to transmission and transmission related distribution, excluding those directly related to distribution or other businesses.

Total Loss on Reacquired Debt shall equal the expenses as recorded in FERC Account 189.

Total Municipal Tax Expense shall equal the municipal tax expenses as recorded in FERC Account Nos. 408.1.

Total Plant in Service shall equal the total gross plant balance as recorded in FERC Account Nos. 301-399.

Total Transmission Depreciation Reserve shall equal the transmission and transmission related distribution reserve balance as recorded in FERC Account 108, adjusted to exclude any transmission depreciation reserve and transmission related distribution depreciation reserve related to Cambridge's Dispatch Center.

Transmission Operation and Maintenance Expense shall equal the expenses as recorded in FERC Account Nos. 560, 562-564 and 566-573, and shall exclude all HQ HVDC expenses booked to accounts 560 through 573 and expenses already included in Transmission Support Expense, as described in Section K which are included in FERC Account Nos. 560-573.

Transmission Related Distribution Operations and Maintenance Expenses shall equal Distribution Operations and Maintenance Expenses as recorded in FERC Accounts 580, 582, 584, 588, 589, 590, 591, 592, 594 and 598, associated with 13.8 kV voltage levels.

Transmission Plant shall equal the Gross Plant balance as recorded in FERC Account Nos. 350-359, adjusted to exclude any investment in transmission plant related to Cambridge's Dispatch Center.

Transmission Related Distribution Plant shall equal the Gross Plant balance of the Total Investment in Distribution Plant as recorded in FERC Accounts 360, 361, 362, 366, and 367, which is operated at the 13.8kv level, adjusted to exclude any investment in transmission related distribution plant related to Cambridge's Dispatch Center.

Transmission Plant Materials and Supplies shall equal the balance as assigned to transmission, as recorded in FERC Account No. 154.

Transmission Related Distribution Plant Materials and Supplies shall equal the Distribution Plant Materials and Supplies, multiplied by the ratio of the Transmission Related Distribution Plant Account to the Total Distribution Plant Account.

Transmission Related Distribution Reserve shall equal the depreciation reserves associated with each of the Distribution Plant Accounts, as recorded in FERC Accounts 360, 361, 362,366, and 367, multiplied by the ratio of each individual Transmission Related Distribution Plant accounts to the Total Distribution Plant account.

II. CALCULATION OF TRANSMISSION REVENUE REQUIREMENTS

The Transmission Revenue Requirement shall equal the sum of (A) Return and Associated Income Taxes, (B) Transmission Depreciation and Amortization Expense, (C) Transmission Related Amortization of Loss on Reacquired Debt, (D) Transmission Related Amortization of Investment Tax Credits, (E) Transmission Related Municipal Tax Expense, (F) Transmission Related Payroll Tax Expense, (G) Transmission Operation and Maintenance Expense, (H) Transmission Related Distribution Operations and Maintenance Expenses, (I) Transmission Related Administrative and General Expenses, (J) Transmission Related Integrated Facilities Charges, minus (K) Transmission Support Revenue, plus (L) Transmission Support Expense, plus (M) Transmission-Related Expense from Generators, plus (N) Transmission Related Taxes and Fees Charge, minus (O) Transmission Rents Received from Electric Property, minus (P) Short Term and Non-Firm Point-To-Point Service Revenues, minus (Q) Regional Network Services (RNS) Revenues, minus (R) Through or Out Revenues.

- A. Return and Associated Income Taxes shall equal the product of the Transmission Investment Base and the Cost of Capital Rate.

1. Transmission Investment Base

The Transmission Investment Base will be the year end balances of (a) Transmission Plant, plus (b) Transmission Related Distribution Plant, plus (c) Transmission Related Intangible and General Plant, plus (d) Transmission Plant Held for Future Use, less (e) Transmission Related Depreciation and Amortization Reserve, less (f) Transmission Related Accumulated Deferred Taxes, plus (g) Transmission Related Loss on Reacquired Debt, plus (h) Other Regulatory Assets/Liabilities, plus (i) Transmission Prepayments, plus (j) Transmission Materials and Supplies, plus (k) Transmission Related Cash Working Capital.

- (a) Transmission Plant will equal the balance of the investment in Transmission Plant. This value excludes the capital leases in the Hydro-Quebec DC Facilities (HQ Leases).
- (b) Transmission Related Distribution Plant shall equal the balance of the total investment in Distribution Plant which is operated at the 13.8 kV level.

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- (c) Transmission Related Intangible and General Plant shall equal the sum of the balance of investment in Intangible Plant and General Plant multiplied by the Transmission Wages and Salaries Allocation Factor.
- (d) Transmission Plant Held for Future Use shall equal the balance of transmission-related and transmission related distribution Plant Held for Future Use.
- (e) Transmission Related Depreciation and Amortization Reserve shall equal the balance of Total Transmission Depreciation Reserve, plus the balance of the Transmission Related Distribution Reserve, plus the balance of Transmission Related Intangible Plant Amortization Reserve and Transmission Related General Plant Depreciation Reserve. Transmission Related Intangible Plant Amortization Reserve and Transmission Related General Plant Depreciation Reserve shall equal the product of (i) the sum of the Intangible Plant Amortization Reserve and General Plant Depreciation Reserve and (ii) the Transmission Wages and Salaries Allocation Factor.
- (f) Transmission Related Accumulated Deferred Taxes shall equal the electric balance of Total Accumulated Deferred Income Taxes (for

those balances that are directly related to transmission and transmission related distribution, plus the balances not directly related to other businesses), with the remaining accumulated deferred taxes being allocated on the same basis used for the related rate base assets.

- (g) Transmission Related Loss on Reacquired Debt shall equal the electric balance of Total Loss on Reacquired Debt multiplied by the Plant Allocation Factor.
- (h) Other Regulatory Assets/Liabilities shall equal the electric balance of any deferred rate recovery of FAS 106 expenses multiplied by the Transmission Wages and Salaries Allocation Factor, plus the electric balance of FAS 109 multiplied by the Plant Allocation Factor.
- (i) Transmission Prepayments shall equal the electric balance of prepayments multiplied by the Transmission Wages and Salaries Allocation Factor.
- (j) Transmission Materials and Supplies shall equal the electric balance of the sum of Transmission Plant Materials and Supplies

and Transmission Related Distribution Plant Materials and Supplies.

- (k) Transmission Related Cash Working Capital shall be a 12.5% allowance (45 days/360 days) of the Transmission Operation and Maintenance Expense, Transmission Related Distribution Operations and Maintenance Expenses, Transmission Related Administrative and General Expense and Transmission Support Expense.

2. Cost of Capital Rate

The Cost of Capital Rate will equal (a) the Weighted Cost of Capital, plus (b) Federal Income Tax plus (c) State Income Tax.

- (a) The Weighted Cost of Capital will be calculated based upon the capital structure at the end of each year and will equal the sum of (i), (ii), and (iii) below.
- (i) the long-term debt component, which equals the product of the actual weighted average embedded cost to maturity of the long-term debt then outstanding and the ratio that long-term debt is to the total capital.

- (ii) the preferred stock component, which equals the product of the actual weighted average embedded cost to maturity of the preferred stock then outstanding and the ratio that preferred stock is to the total capital.
- (iii) the return on equity component shall be the product of the allowed ROE of the common equity and the ratio that common equity is to the total capital. The allowed ROE is 12.8 %.
- (b) Federal Income Tax shall equal

$$\frac{(A+[(C+B)/D])(FT)}{1 - FT}$$

where FT is the Federal Income Tax Rate and A is the sum of the preferred stock component and the return on equity component, as determined in Sections II.A.2.(a)(ii) and (iii) above, B is Transmission Related Amortization of Investment Tax Credits, as determined in Section II.D., below, C is the Equity AFUDC component of Transmission Depreciation and Amortization Expense, as defined in Section II.B. below, and D is Transmission Investment Base, as determined in Section II.A.1., above.

- (c) State Income Tax shall equal

$$\frac{(A+[(C+B)/D] + \text{Federal Income Tax})(ST)}{1 - ST}$$

where ST is the State Income Tax Rate, A is the sum of the preferred stock component and return on equity component determined in Sections II.A.2.(a)(ii) and (iii) above, B is the Amortization of Investment Tax Credits as determined in Section II.D. below, C is the equity AFUDC component of Transmission Depreciation and Amortization Expense, as defined in Section II.B. below, D is the Transmission Investment Base, as determined in II.A.1., above and Federal Income Tax is the rate determined in Section II.A.2.(b) above.

- B. Transmission Depreciation and Amortization Expense shall equal the sum of (i) the Depreciation Expense for Transmission Plant and Transmission Related Distribution Plant and (ii) an allocation of the sum of Intangible Plant Amortization Expense and General Plant Depreciation Expense, which is calculated by multiplying the sum of (a) Intangible Plant Amortization Expense and (b) General Plant Depreciation Expense by the Transmission Wages and Salaries Allocation Factor.
- C. Transmission Related Amortization of Loss on Reacquired Debt shall equal the electric Amortization of Loss on Reacquired Debt multiplied by the Plant Allocation Factor.

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- D. Transmission Related Amortization of Investment Tax Credits shall equal the electric Amortization of Investment Tax Credits multiplied by the Plant Allocation Factor.
- E. Transmission Related Municipal Tax Expense shall equal the total electric municipal tax expense multiplied by the Plant Allocation Factor.
- F. Transmission Related Payroll Tax Expense shall equal the total electric payroll tax expense, multiplied by the Transmission Wages and Salaries Allocation Factor.
- G. Transmission Operation and Maintenance Expense shall equal the Transmission Operation and Maintenance Expenses.
- H. Transmission Related Distribution Operations and Maintenance Expense shall equal Transmission Related Distribution Operations and Maintenance as defined above.
- I. Transmission Related Administrative and General Expenses shall equal the sum of the (1) Administrative and General Expense multiplied by the Transmission Wages and Salaries Allocation Factor, (2) Property Insurance multiplied by the Transmission Plant Allocation Factor, and (3) expenses included in Account 928 related to transmission related FERC Assessments, plus any other Federal and

State transmission related expenses or assessments, plus specific transmission related expenses included in Account 930.1.

- J. Transmission Related Integrated Facilities Charges shall equal the transmission payments to affiliates for use of the integrated transmission facilities of those affiliates.
- K. Transmission Support Revenues shall equal the revenue received for transmission support but excluding any revenue received for use of Cambridge's entitlement in the Hydro-Quebec Facilities.
- L. Transmission Support Expense shall equal the expense paid by Cambridge for transmission support but excluding expenses for the Hydro-Quebec DC Facilities.
- M. Transmission-Related Expense from Generators shall equal the expenses from generators that are reflected in a filing made by Cambridge with the Commission under Section 205 of the Federal Power Act and accepted by the Commission for recovery under the Local Service Schedule.
- N. Transmission Related Taxes and Fees Charge shall include any fee or assessment imposed by any governmental authority on service provided under this Section which is not specifically identified under any other section of this rule.

-
- O. Transmission Rents Received from Electric Property shall equal any Account 454 Rents from electric property, associated with Transmission Plant but not reflected as a credit in Transmission Support Revenues in Section K.
- P. Short-Term and Non-Firm Point-to-Point Service Revenues shall equal the applicable wheeling revenues billed for Local Point-To-Point Service provided under this Local Service Schedule, including the transmission component of Cambridge's Third-Party Sales, as recorded in Accounts 447 and 456.
- Q. Regional Network Services (RNS) Revenues shall equal the distribution of revenues received by Cambridge from ISO-NE for RNS pursuant to the Tariff, but excluding any incremental revenues associated with FERC-approved adders for RTO participation and new investment.
- R. Through or Out Revenues shall equal the distribution of revenues received by Cambridge from ISO-NE for Through or Out Service pursuant to the Tariff.

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ATTACHMENT E
INDEX OF LOCAL NETWORK SERVICE CUSTOMERS

Customer

Date of Service Agreement

N/A

Issued by: Ellen K. Angley
Vice President
Cambridge Electric Light Company
Issued on: December 22, 2004

Effective: With notice, on or after February 1, 2005

ISO New England Inc.
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First Revised Sheet No. 2063
Superseding Original Sheet No. 2063

[Sheet Nos. 2063 through 2064 are reserved for future use.]

Issued by: Geoffrey O. Lubbock
Vice President
Cambridge Electric Light Company
Issued on: March 31, 2005

Effective: April 1, 2005

ISO New England Inc.
FERC Electric Tariff No. 3
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Original Sheet No. 2065

ATTACHMENT G

STANDARD FORM of

INTERCONNECTION AGREEMENT for GENERATORS

BETWEEN

_____ COMPANY

AND

CAMBRIDGE ELECTRIC LIGHT COMPANY

Issued by: Ellen K. Angley
Vice President
Cambridge Electric Light Company
Issued on: December 22, 2004

Effective: With notice, on or after February 1, 2005

ISO New England Inc.
FERC Electric Tariff No. 3
Section II - Open Access Transmission Tariff
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Original Sheet No. 2066

AGREEMENT entered into as of this ____ day of _____, ____ by and between _____,
having its principal place of business at _____

(hereinafter referred to as "Customer"), and _____ Company,
a Massachusetts corporation having its principal place of business at 800 Boylston Street,
Boston, Massachusetts, 02199 (hereinafter referred to as "Company").

WHEREAS, Customer plans to construct a new _____
_____ generating station of approximately _____ megawatt maximum output in
_____, Massachusetts (hereinafter referred to as the
"Customer's Generator"); and

WHEREAS, the System Impact Study performed for the Customer's Generator by
_____ identified that _____

in order to meet the Minimum Interconnection Standard for the Customer's Generator; and

NOW, THEREFORE, in consideration of the mutual promises and agreements contained herein,
Customer and Company hereby agree as follows:

Section 1. Definitions

Terms used herein that are not defined have the meaning stated in the Tariff or its successor,
either as amended from time to time.

1.1 Annual Facilities Charge ("AFC"). Annual charges for ongoing expenses associated
with new facilities, the applicability of which are determined pursuant to Section 5.6, and the
calculation of which are pursuant to Schedule 3 hereof.

1.2 [reserved]

1.3 Company Transmission System. All the facilities owned or controlled by the Company
on the Company's side of the Interconnection Points for the purpose of providing

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Vice President
Cambridge Electric Light Company
Issued on: December 22, 2004

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ISO New England Inc.
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wholesale transmission service under the Tariff.

1.4 Customer's Substation (or "Substation"). The transmission substation comprised of a bus and all associated breakers and appurtenant equipment that may be located adjacent to Customer's Generator.

1.5 Emergency. Any abnormal system condition that requires automatic or immediate manual action to prevent or limit loss of transmission facilities or generation supply that could adversely affect the reliability of the Company Transmission System or the systems to which the Company is directly or indirectly connected. Company's inability to meet load because of insufficient generation shall not constitute an Emergency for purposes of this Agreement.

1.6 FERC. The Federal Energy Regulatory Commission, or its successor.

1.7 Force Majeure. Any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing.

1.8 Good Utility Practice. Any of the practices, methods and acts engaged in or approved by a significant proportion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in the light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of acceptable practices, methods or acts.

1.9 Hazardous Substances. Any chemicals, materials or substances defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "hazardous constituents", "restricted hazardous materials", "extremely hazardous substances", "toxic substances", "contaminants", "pollutants", "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law. For purposes of this Agreement, the term "Environmental Law" shall mean federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders relating to pollution of the environment, natural resources or human health and safety.

1.10 Interconnection Facilities. _____,

Issued by: Ellen K. Angley
Vice President
Cambridge Electric Light Company
Issued on: December 22, 2004

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ISO New England Inc.
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as installed at _____
all as further described in Schedule 2, which are the subject of this Agreement

1.11 Interconnection Point(s). The point(s), identified in Figure 1, at which the leads from Customer's step-up transformer(s) connect to the bus at the Customer's Substation, if any, or to the Company's facilities.

1.12 Metering Point. The point at which the net output of Customer's Generator is metered (with dynamic compensation to the Interconnection Point).

1.13 Minimum Interconnection Standard. A standard of interconnection defined in the Tariff.

1.14 NEPOOL. The New England Power Pool and its successors and assigns.

1.15 NERC. The North American Electric Reliability Council, or its successor.

1.16 Notice to Proceed. A written notice given by Customer to Company that Customer directs Company to start the work described herein.

1.17 NPCC. The Northeast Power Coordinating Council, or its successor.

1.18 Participating Transmission Owner (PTO): A transmission owner that is a party to the TOA.

1.19 [reserved]

1.20 Parties. Customer and Company.

1.21 PTF. Pool Transmission Facilities, as defined in the TOA.

1.22 [reserved]

1.23 Secondary Systems. Control or power circuits that operate below 600 Volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers.

1.24 Tariff. The ISO New England Transmission, Markets and Services Tariff, as it may be amended from time to time and accepted or approved by FERC.

Issued by: Ellen K. Angley
Vice President
Cambridge Electric Light Company
Issued on: December 22, 2004

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ISO New England Inc.
FERC Electric Tariff No. 3
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1.25 Transmission Operating Agreement. The Transmission Operating Agreement between and among ISO and the PTOs dated as of _____, 2003, as amended and restated from time to time.

Section 2. Term

2.1 General. This Agreement shall take effect as of the day and year first above written, subject to FERC acceptance for filing or approval by FERC, and shall continue in full force and effect until a mutually agreed termination date not to exceed the date on which the Customer's Generator ceases commercial operations. Upon such termination, the Company shall make a timely filing under section 205 of the Federal Power Act, together with a Notice of Cancellation under Part 35 of FERC's regulations, 18 C.F.R. §§35.15 and 131.53 (2000).

2.2 Termination Upon Default. This Agreement may be terminated upon a Party's Default in accordance with the provisions of Section 19. Upon such termination, the Company shall make a timely filing under section 205 of the Federal Power Act, together with a Notice of Cancellation under Part 35 of FERC's regulations, 18 C.F.R. §§35.15 and 131.53 (2000).

2.3 Survival. The applicable provisions of this Agreement, including but not limited to Sections 19, 24, and 25, shall continue in effect after expiration, cancellation, or termination hereof to the extent necessary to provide for final billings, billing adjustments, and the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect. Furthermore, Section 5.6 shall continue in effect for the full expected service life of the Customer's Generator, as agreed and as may be limited therein.

Section 3. General Considerations

Company shall design, engineer, procure and construct those Interconnection Facilities that are located on the Company Transmission System, in accordance with Good Utility Practice, in order to satisfy the Minimum Interconnection Standard. Company shall own, operate and maintain all the Interconnection Facilities that are the subject of this Agreement. Customer shall make its own arrangements for all additional facilities required to effect its interconnection that are located on the transmission systems of other transmission providers.

Transmission services and related ancillary services are provided pursuant to the Tariff and not pursuant to this Agreement.

Customer shall maintain membership in NEPOOL for the full duration of the commercial

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Vice President
Cambridge Electric Light Company
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operation of Customer's Generator.

Section 4. Construction of Interconnection Facilities

Upon execution of this Agreement, the Company shall initiate its project authorization process. Company will undertake all work under this Agreement not already in progress pursuant to pre-existing agreements and will purchase the equipment and materials required for the work hereunder only after the later of (a) receiving a Notice to Proceed from Customer or (b) Company's approval of the project authorization. In no event, however, shall the Company start constructing any of the electrical components of the Interconnection Facilities prior to approval, pursuant to Section I.3.9 of the Tariff, of the Interconnection Facilities. Customer must issue its Notice to Proceed within ninety (90) days of execution hereof or this Agreement shall terminate as of that date.

Company shall use reasonable efforts to maintain the schedule delineated in Schedule 1 in order to permit interconnection and operation of the Customer's Generator in a timely manner. However, Company shall bear no responsibility whatsoever for delays caused by, but not limited to: repair or replacement of defective equipment and materials; delays caused by vendors; an inability to secure ISO permission to take construction outages when desired; any order of any appropriate court or regulatory body; any event of Force Majeure; or any required environmental remediation. Company shall coordinate its work hereunder with ISO and any related projects being completed by other transmission providers on behalf of Customer and/or any other interconnection projects under way in the area. Customer acknowledges that ISO may, after consultation with the Customer, other affected generators, and the Company, request and ultimately require that the Company shift its construction outage schedule for any of several reasons.

In the event that this Agreement is executed prior to approval, pursuant to Section I.3.9 of the Tariff, of the Interconnection Facilities and such approval is conditioned on or amended to include a set of interconnection facilities that differs from the Interconnection Facilities listed in Schedule 2, the Parties agree to amend Schedule 2 in conformance with the conditions of such approval. To the extent that such amendment results in the delivery of materials and/or equipment that are no longer useful to the construction of the Interconnection Facilities, as revised, Customer shall take ownership and possession thereof pursuant to the third paragraph of Section 21. The Parties recognize that such amendment of Schedule 2 may also impact the schedule of work hereunder, and require the adjustment of the milestones listed in Schedule 1. The Company shall bear no responsibility for any schedule delays or cost increases caused by such changes in scope.

Company shall meet periodically with Customer to update Customer regarding the status of the

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work performed to date, as it relates to the schedule of such work, and regarding the monies expended to date as compared to that expected to be expended to date. During and following such meetings, Customer and Company agree to plan any actions needed or prudent to facilitate the work hereunder, and to consider any and all alternatives identified to work around any delays that may arise. If Company and Customer jointly decide to pursue alternatives not identified in the Schedules attached hereto, Company and Customer shall mutually determine their respective responsibilities for all effects of such decision, including, but not limited to, its costs and any resulting delays.

Section 5. Payment for Interconnection Facilities

5.1 Initial Payment. Customer agrees to pay Company for all costs and fees which are required to enable Company to fulfill its obligations under this Agreement, including without limitation materials, labor, and appropriate overheads, a non-binding estimate of which is provided in Schedule 2, plus any tax liability, and the costs and fees of all permits, licenses, franchises or regulatory or other approvals necessary for the construction of the Interconnection Facilities. Total estimated payment shall be made simultaneously with issuance of the Notice to Proceed. Customer shall have the option to make such payment in the form of a letter of credit ("LOC") in accordance with the standards laid out for such LOC below. Company shall have full and exclusive access to any such LOC to withdraw monthly the amounts forecast to be required to support the work hereunder during the coming month, plus or minus any adjustment from the previous month. Customer may alternatively make installment payments with respect to its obligations hereunder provided that Customer offers a form of security for such payments that is acceptable to Company and is consistent with commercial practices of the Uniform Commercial Code.

To the extent that Customer elects to fund its interconnection with an LOC, such LOC shall be in the form of an unconditional irrevocable standby letter of credit drawn on a bank reasonably acceptable to Company. The LOC shall have a minimum term of one (1) year and shall designate Company as beneficiary with authority to draw drafts on the issuer for up to the full amount of the LOC in accordance with this Section 5. Such LOC shall also provide that Company may, upon five days notice, draw the full remaining amount of the LOC in the event it has not been renewed, extended or replaced on or before thirty (30) days prior to the expiration date of such LOC.

5.2 Schedule 2 Cost Changes. Company shall notify Customer of any increases in the estimated total cost in Schedule 2, and shall provide Customer with a detailed explanation and cost breakdown of such cost increases. Customer shall provide its prior written consent for such increases amounting to in the aggregate 10 percent (10%) or more within ten (10) business days of such notice. Upon such notification and, when required, Customer's consent, Company shall

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amend Schedule 2 and make a timely filing under section 205 of the Federal Power Act, together with appropriate cost support under Part 35 of FERC's regulations, 18 C.F.R. §35.13 (2000). Customer shall pay Company the amount of the cost increase, or shall revise the amount of its LOC to include the amount of the increase. If Customer fails to pay Company or increase its LOC by the amount of such cost increase within twenty (20) days of Company's notice thereof, Company may suspend all work hereunder until it receives such payment or increase in the LOC. If further increases in the estimated total costs in Schedule 2 arise, the above procedure shall be followed.

If Customer fails to provide the required written consent to individual or cumulative increases of 10 percent (10%) or more within the ten (10) business days, such non-concurrence shall be deemed to be Customer's Notice to Terminate pursuant to Section 21 below.

If Company identifies a net decrease in the total cost estimate of Schedule 2 amounting to \$250,000 or more, Company shall notify Customer of such decrease, and shall refund the amount of such cost decrease, or permit Customer to reduce its LOC, as applicable, within twenty (20) days of Company's notice thereof. Company shall amend Schedule 2 accordingly and make a timely filing under section 205 of the Federal Power Act, together with appropriate cost support under Part 35 of FERC's regulations, 18 C.F.R. §35.13 (2000).

5.3 Tax Gross-up. Customer acknowledges that under Internal Revenue Code Section 118 and Internal Revenue Service's Notice 87-82, transfers made by Customer to Company hereunder with respect to the construction and installation of new facilities or improvements may, under certain circumstances, cause a taxable event to Company. Customer agrees to reimburse Company within twenty (20) days of Company's invoice for all tax effects ("Tax Gross-up"), both state and federal, including interest and penalties, if any, if Company, whether in its sole discretion or at the direction of the IRS, pays state and/or federal taxes on Customer's payments. Any such calculation will take into account as an offset the depreciation, amortization and other deductions to which Company will be entitled if it is required to report the transfers as income. If Customer wishes to minimize its exposure to IRS and Commonwealth of Massachusetts interest charges and penalties pursuant to this Section 5.3, it may request that Company calculate the appropriate Tax Gross-up, and pay such amount to the Company. To the extent that the IRS has issued a generic ruling that makes it clear that Customer's payments to Company are taxable as income, Company will include the Tax Gross-up in Schedule 2. If the IRS issues such a ruling after the execution date of this Agreement, such Schedule 2 inclusion will be treated as an amendment, and Company will make the requisite section 205 filing.

Provided that the Company has received the Customer's Notice to Proceed and the IRS has not issued a generic ruling, the Company shall, upon Customer's request to do so, use reasonable efforts over a reasonable period of time to seek a private letter ruling from the IRS to the effect

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that Company's performance of this Agreement and receipt of payments hereunder do not result in a Tax Gross-up. Customer agrees to reimburse Company for its costs incurred in the pursuit of such ruling, including Company's internal cost and the costs of expert outside counsel. If Customer has paid the Tax Gross-up to the Company and Company receives a tax refund as a result of such IRS ruling, Company will return the Tax Gross-up to Customer, together with interest thereon based on the interest paid, if any, by the IRS or the state.

If Customer fails to make a reimbursement required pursuant to this Section 5.3 within twenty (20) days of Company's invoice for such reimbursement, the balance due will accumulate interest charges at the rate specified by FERC, and Company may suspend all work hereunder until such reimbursement.

5.4 Construction Outage Related Costs. Customer and Company recognize that construction of the Interconnection Facilities will require Company, acting in conjunction with ISO, to take certain transmission facilities out of service, and that such outages may require the redispach of other generators. Such redispach, if any, may result in increased costs attributable to (i) the necessity of running additional units to maintain reliability; (ii) higher dispatch levels on generators in areas rendered constrained by the outages; and (iii) lost opportunity costs from units backed down or forced off line. The Parties agree to work together and with other affected generators, ISO, and the Local Control Center, REMVEC, to minimize such redispach costs. The Parties acknowledge that FERC has accepted, in its June 2000 order in the NEPOOL CMS Proceeding, Docket No. ER00-2016, et al., NEPOOL's position that no payments would be made for type (iii) redispach costs. To the extent that such type (i) and type (ii) redispach costs materialize, they shall be treated in accordance with the NEPOOL Agreement and Tariff. Company reserves the right to make a Section 205 filing to change this provision, and Customer reserves its right to protest any such change.

5.5.1 Report of Total Costs. As soon as reasonably practical following the date on which the earlier of (a) the Interconnection Facilities are completed, or (b) the early termination of this Agreement, Company shall provide Customer with a report of total initial Interconnection Facilities costs in sufficient detail to allow identification of all major cost components.

5.5.2 Reconciliation. If Customer's actual payments, whether directly or via its LOC, are less than the total costs identified in Section 5.5.1, Company shall bill Customer for the balance due. Any such balance due shall be paid to Company within twenty (20) days of receipt of such bill, after which the balance due will accumulate interest charges at the rate specified in the Tariff. If Customer's actual payments exceed the total costs identified above, Company shall authorize termination of the LOC, if any, to the extent the excess resides therein, in writing within twenty (20) days of such final accounting. To the extent Company had previously drawn such excess from the LOC, or otherwise had been overpaid directly by Customer, Company shall refund such

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amount. Such refund will include interest thereon at the rate specified in the Tariff, from the date of the most recent draw(s) or payment(s) until the date of the refund, if such excess in Company's possession is at least ten thousand dollars (\$10,000.00). Company shall pay such refund to Customer within twenty (20) days of such final accounting. Customer shall have the right to audit Company's accounts related to such costs within one year of the reconciliation at its own expense. Company shall have the right to charge Customer for its reasonable costs of assisting in any such audit.

5.6 Annual Facilities Charges. To the extent that one or more of the Interconnection Facilities are new additions to Company's Transmission System, and not merely higher capacity replacements or upgrades of existing facilities, such new facilities shall be subject to an annual facilities charge ("AFC") for the full expected commercial service life of the Customer's Generator (which the Parties agree is ___ years), or, if shorter, the full service life of the new facilities. Company shall invoice such charges monthly on an estimated basis, and shall true up the charges annually by June 1 of the following year. AFCs shall be calculated pursuant to Schedule 3 hereof, and shall apply to those line items, or indicated percentages thereof, flagged in Schedule 2 with an asterisk.

5.7 Costs Backstop. Provided that Company has received Customer's Notice to Proceed as specified in Section 4 above, Customer agrees to reimburse Company for all reasonable and necessary costs related hereto that Company has incurred and for which Company is not otherwise reimbursed by ISO. To the extent such reasonable and necessary costs arise that have not been disclosed elsewhere in this Agreement, the Company shall notify the Customer of such additional costs and follow the procedures for costs changes described above in Section 5.2. This paragraph does not override any cost allocation requirements contained in the Tariff that are applicable to Customer. The Tariff shall govern those specific cost allocations to which it is applicable.

Section 6. Adjustment of Capitalized Interconnection Facilities Costs

It is the intent of the Parties that any cost sharing mechanism pursuant to the Tariff, as approved by FERC upon the exhaustion of all appeals, which is determined to be applicable to the Interconnection Facilities, shall be applied to the Interconnection Facilities pursuant to the applicable ISO procedures. In the event that such procedures result in a refund of costs from the Company to the Customer, such refund shall be made within sixty (60) days following the Company's receipt of its first payment under the Tariff related to such shared costs.

Section 7. Service Availability of Interconnection Facilities

Company makes no warranties or representations, other than as set forth in Section 4 above, that

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the Interconnection Facilities undertaken pursuant to this Agreement will be available at any specific time, nor does Company guarantee to transmit a constant supply of electricity under this Agreement. Rather, it is the intent of all provisions of this Agreement that Customer shall assume the risks of interruption, failure or deficiency in the quality or quantity of service, whether caused by a Force Majeure Event as described in Section 1.7, or by any other event on the New England Transmission System. Customer acknowledges that from time to time during the term of this Agreement other persons may develop, construct and operate, or acquire and operate generating facilities in the Company's service territory, and such construction or operation by such other persons may adversely affect the Customer's Generator. Customer further recognizes that conditions on the system, including the necessity to perform maintenance, implement upgrades, or interconnect other generators, may arise that require ISO, the Local Control Center, REMVEC, or Company to curtail, in whole or in part, the output of the Customer's Generator. When time and available information permit, ISO the Local Control Center, REMVEC, or Company will order such curtailments, in its sole discretion, on a non-discriminatory basis among those generators best physically able to address the need for the curtailment(s). Customer shall hold Company harmless for any such curtailments to Customer's Generator.

Company agrees to perform routine maintenance and make emergency repairs on the Interconnection Facilities in accordance with Good Utility Practice and any applicable warranties. In the event of damage to any of the Interconnection Facilities, Company will rely first on any applicable warranties, and thereafter make any additional necessary capital expenditures to replace, reconstruct, or otherwise bypass such damaged Interconnection Facilities in accordance with ISO and Company requirements as they exist at the time and in accordance with Good Utility Practice. Provided that the damage requiring such expenditures was not caused by the negligence of the Company or its agents, Company will invoice Customer for such expenditures to the extent Customer bears ongoing cost responsibility for AFCs with respect to such facilities pursuant to Section 5.6.

Section 8. Partial Service

Customer may request, and if requested will pay for, operating studies to be performed by Company or ISO, or affected Transmission Owner, to determine the maximum allowable output of the Customer's Generator should all Interconnection Facilities not be completed prior to the date the Customer's Generator requires transmission service. Any interim service will be provided at the discretion of the Company or ISO, as applicable, based upon the operating studies' indication of the maximum allowable output.

Similarly, Customer may request, and if requested will pay for, operating studies to be performed by Company or ISO to determine the maximum allowable output of the Customer's Generator

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under any transmission system operating configurations that may, in the absence of such studies, curtail the output of the Customer's Generator. Use of the results of any such studies will be at the discretion of the Company or ISO, as applicable.

Customer recognizes that its requests for operating studies will be subject to the policies of the party(ies) to which its request is made regarding the availability of technical staff to perform the requested studies and the priority accorded the Customer's request relative to other ongoing study work.

Section 9. Ownership

9.1 Land Ownership and Eminent Domain Takings: The Customer shall furnish at no cost to the Company any necessary access, easements, licenses, and/or rights of way upon, over, under, and across lands owned or controlled by Customer and/or its affiliated interests for the construction and operation of necessary lines, substations, and other equipment to accomplish interconnection of the Customer's Generator with the Company Transmission System under this Agreement, and shall, at all reasonable times, give the Company, or its agents, free access to such lines, substations and equipment. Customer grants to Company at all reasonable times and with reasonable supervision, the right of free ingress and egress to Customer's premises for the purpose of installing, testing, reading, inspecting, repairing, operating, altering, or removing any of Company's property located on Customer's premises or for other purposes necessary to enable Company to receive electric energy, suspend the receipt thereof, or determine Customer's compliance with this Agreement.

If any part of Company's facilities are to be installed on property owned by other than the Company or the Customer, Customer shall, if Company is unable to do so without cost to the Company, procure from the owners thereof any necessary rights of use, licenses, rights of way and easements, in a form reasonably satisfactory to the Company, for the construction, operation, maintenance and replacement of Company facilities upon such property. In the event Customer is unable to secure them (a) by condemnation proceedings or (b) by other means, Company shall use its best efforts to secure such rights and Customer shall reimburse Company for all reasonable and documented costs incurred by the Company in securing such rights. See Schedule 5 for the details of the land ownership arrangements between the parties.

In connection with Company's exercise of rights under this Section 9.1, while on Customer's premises, Company's personnel shall comply with all applicable safety rules or regulations of Customer that are communicated by Customer to Company.

9.2 Plant Ownership: In the case where no Company substation is located in the vicinity of the Customer's Generator and to the extent that the Parties have agreed that Customer will build

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the substation to which its generator will interconnect, such substation will be purchased by Company from Customer for \$1.00 upon its completion and after acceptance testing by Company. Customer will own the Customer's Generator and the associated transformers, switches, and conductors up to, but not including, the first operable device within the substation.

Company will own any station bridges or any other conductor support or termination structures within the substation. Company will own all the transmission lines and substations and facilities appurtenant thereto which are the subject of this Agreement.

Section 10. Company Interaction Regarding Customer-Built Substation

10.1 Design Review and Process: If the Parties have agreed that Customer will build the substation to which its generator will interconnect, Customer shall deliver to Company for its review and approval Customer's substation design work for the Customer's Substation at intervals corresponding to 0%, 30%, 60%, 90%, and 100% of design completion. Such design work shall be compatible with Company standard design practices and Customer shall obtain Company's prior written approval for all major substation equipment specifications including, but not limited to circuit breakers, relaying, revenue metering, disconnect switches, and dc systems. The Company reviews required hereunder shall be performed with due diligence utilizing Good Utility Practice.

10.2 Testing: Company shall have the right to inspect the Customer's Substation's high voltage circuit breakers at the factory, immediately after they are tested by the manufacturer, and to reject any breaker that fails to meet the Company-approved specifications. Company shall be responsible for performing acceptance tests on the Customer's Substation including all of its components, in accordance with its customary testing and acceptance procedures, as soon as reasonably practicable after receiving notice from Customer that such facilities are ready for testing. In performing such testing, Company shall not be deemed to be assuming any liability or making any warranties with respect to the equipment tested.

10.3 Training. If the Parties have agreed that the Customer will build the substation to which its generator will interconnect for the Company, during its construction a program shall be developed for training and familiarization with the substation so that Company personnel are fully qualified for assuming operation and maintenance of the substation upon its transfer to the Company.

Section 11. Construction Power and Station Service

11.1 Construction Power. Customer shall make its construction power connection arrangements with respect to Customer's Generator with the local electric distribution provider, and shall make its energy purchase arrangements with the qualified energy supplier of its choice

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under the applicable state's deregulation rules.

11.2 Test Power. At such time as Customer is ready to test Customer's Generator, Company will transmit, pursuant to service agreements under the Tariff, any test power drawn by or delivered from the Customer's Generator, but Customer is responsible for the disposition of and related accounting for such test power produced, and for payment for any such power drawn. Customer shall have made suitable power arrangements for such test power and notified ISO and the Company of such arrangements prior to engaging in such tests.

11.3 Station Service. Customer shall make permanent station service power connection arrangements with the local electric distribution provider and/or shall have designed and built a station service source, such as a station service transformer, a quick-start diesel generator, etc., on its side of the Interconnection Point. If Customer elects to draw some or all of its station service power requirements in excess of that supplied from Customer's Generator itself from Company Transmission System, whether supplied from its own remote sources or from retail purchases from the supplier of its choice, it will be subject to the Tariff as a load customer to the extent of such power drawings. If distribution and transmission sources are both utilized, Customer shall so configure its circuits such that the distribution source(s) can never back-feed the transmission level source(s).

To the extent that the Interconnection Facilities include a new substation at or adjacent to the Customer's Generator, Customer shall be responsible for providing such substation with its station service requirements at no cost to Company. Such substation service load shall be deemed to be the Customer's load for all load reporting purposes.

Company shall continue to be responsible for making its own station service arrangements at all other substations at which Interconnection Facilities are being undertaken pursuant to this Agreement.

To the extent that the Interconnection Facilities include facilities that are subject to AFC's pursuant to Section 5.6 other than a new substation at or adjacent to the Customer's Generator, such facilities shall be allocated a portion of the station service energy costs pursuant to Schedule 3.

Section 12. Delivery and Measurement of Electricity

12.1 Voltage Level: All electricity that crosses the Interconnection Point shall be in the form of three-phase, sixty hertz, alternating current at a nominal voltage of 115, 230, or 345 thousand volts, as appropriate. Such voltage shall at all times, including during unit startups at the Customer's Generator, be held within the tolerances specified in the ISO's and Company's

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voltage schedules. If Customer fails to maintain such voltages and frequency, Company may disconnect the Customer's Generator until such time as Customer remedies its inability to operate within the required voltage tolerances.

12.2 Generator Reactive Capability: The Customer's Generator is required to provide reactive capability to regulate and maintain system voltage at the Interconnection Point to the extent physically able to do so. Compensation for such voltage support is available pursuant to the Tariff when the megawatt output of the Customer's Generator must be backed down to produce or absorb reactive power or when the unit is asked to motor for this purpose. Company and ISO shall, from time to time, publish a scheduled range of voltages to be maintained by the Customer's Generator. If Customer fails to provide such reactive voltage support, Company may disconnect the Customer's Generator until such time as Customer remedies its ability to provide such support.

Additionally, the Customer must equip Customer's Generator with a stabilizer as part of its excitation system. The stabilizer will be activated by ISO when stability studies indicate that it is needed.

12.3 Metering and Related Equipment: Customer's Generator shall be equipped, solely at Customer's expense, with compatible metering, telemetry, and communication equipment at or distant from the Interconnection Point(s) which measures all electricity flows between Company and Customer and determines and communicates the status of switching equipment. Metering for each generator and reserve station service load must comply with ISO Operating Procedure 18 and must, pursuant to ISO rules, include a solid state recorder which Company can access remotely via a telephone line provided, paid for, and protected, to the extent necessary, by the Customer. Multiple interconnections at the same site by a single Customer may be netted for metering purposes only if Customer and ISO have agreed that the market system modeling of these interconnections will be as a single unit. Customer shall be responsible for all communications required by ISO and its designated Local Control Center. All meters, instrument transformers, solid state recording devices, and test switches for the transducer circuits shall be approved by Company before the design is finalized. All such equipment shall be maintained in accordance with applicable criteria, rules, standards and operating procedures.

If the metering equipment is not located at the Interconnection Point (see Figure 1 for metering locations), the metering equipment shall record delivery of electricity in a manner that accurately accounts for losses occurring between the Metering Point and the Interconnection Point at all output levels. Billing for transmission losses between the Metering Point and the Interconnection Point shall be pursuant to the Tariff's terms, conditions and rates.

All metering equipment installed pursuant to this Agreement and associated with the Customer's

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Generator shall be tested at least annually by the owning Party at Customer's expense in accordance with ISO Operating Procedure 18. If, at any time, any metering equipment is found to be inaccurate by a margin greater than that allowed under ISO Operating Procedure 18, the owning Party shall cause such metering equipment to be made accurate or replaced at Customer's expense. Meter readings for the period of inaccuracy shall be adjusted so far as the same can be reasonably ascertained. If the period of inaccuracy cannot be determined, the Parties agree to adjust the meter readings for a period equal to half the time between the last known valid reading and the date of the test which uncovered the inaccuracy and for all time between such test date and the date the metering was made accurate. Each Party shall comply with any reasonable request of the other concerning the sealing of meters, the presence of a representative of the other Party when the seals are broken and the tests are made, and other matters affecting the accuracy of the measurement of electricity delivered from the Generator. If either Party believes that there has been a meter failure or stoppage, it shall immediately notify the other and require immediate testing at the Customer's sole expense.

12.3.1 Ownership of Metering Equipment: The Company shall own all metering equipment used to record separately metered reserve station service load, if any, from its distribution system or from its switchyard if rated at less than 345 kV. The Company shall own the metering and equipment used to record the Customer's Generator net output and the required telemetry and communication equipment unless the Customer is permitted by ISO procedures to own such equipment and expresses its desire to Company to be the owner. In that event, Customer ownership of metering equipment shall not obviate Customer's responsibilities pursuant to this Section 12.3 or Company's right to inspect and witness the testing of such meters.

12.3.2 Responsibility for Reading Meters: For interconnections to a switchyard rated 345 kV or above, Customer shall have the meter reading responsibilities for both net generation and reserve station service load.

For interconnections to a switchyard rated less than 345 kV, the Company shall be the assigned meter reader unless the Customer submits a registration request to ISO to be the assigned meter reader for net generation. If Customer is the meter reader for net generation, Customer must provide Company with the upload files it submits into ISO's market settlement system in accordance with applicable ISO rules, as may be amended from time to time. If Company is the meter reader for net generation, the Customer shall serve as a backup source of hourly data in the event Company is unable to communicate with the meter/recorder, and if called for, such data shall be made available to the Company by 8:00 AM of the following day.

For all interconnections under 345 kV, the Company must be the meter reader for each separately metered reserve station service load. The Customer shall serve as a backup source of hourly station service load data in the event Company is unable to communicate with the

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meter/recorder, and if called for, such data shall be made available to the Company by 8:00 AM of the following day.

For both net generation and reserve station service loads interconnected below 345 kV, Customer shall forward month-end meter readings to Company, and Company shall also have local and remote access to the meters to take periodic meter readings at the Customer's expense.

Customer's responsibilities to supply Company with physical and electronic access to meters and recorders, to supply the Company with upload files, and to supply the Company with month-end meter readings pursuant to this Section 12.3.2 shall continue after any changes in Market Rule 20-I or any related ISO documents until such time as the Company no longer requires these services for its load calculation processes.

Section 13. Operations

13.1 General. The Company and Customer agree that their respective performances of this Agreement shall comply with the current (as amended from time to time) standards and guidelines of NERC, NPCC, and ISO, or any successor agencies assuming or charged with similar responsibilities related to the operation and reliability of the North American electric interconnected transmission grid. Each Party shall be responsible for its own performance, compliance, and reporting.

13.2 Company Obligations. The Company shall operate and control the Company Transmission System and other Company facilities (i) in a safe and reliable manner; (ii) in accordance with Good Utility Practice; (iii) in accordance with applicable operational and/or reliability criteria, protocols, and directives, including those of NERC, NPCC, and ISO; and (iv) in accordance with the provisions of this Agreement.

13.3 Customer Obligations. The Customer shall operate and control the Customer's Generator and its other facilities (i) in a safe and reliable manner; (ii) in accordance with Good Utility Practice, (iii) in accordance with applicable operational and/or reliability criteria, protocols, and directives, including those of NERC, NPCC, and ISO; and (iv) in accordance with the provisions of this Agreement.

13.4 Access Rights. The Parties shall provide each other such easements and/or access rights as may be necessary for either Party's performance of their respective obligations under this Agreement; provided that, notwithstanding anything stated herein, a Party performing inspections or observations within the boundaries of the other Party's facilities must abide by the rules applicable to that site, including, if applicable, any required use of the owning Party's escorts.

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13.5 Switching and Tagging Rules. The Parties shall abide by their respective Switching and Tagging Rules and Safety Practices for obtaining clearances for work or for switching operations on their respective equipment. The Parties agree to coordinate their actions, expedite ISO market instructions, and communicate with each other, all in accordance with Good Utility Practice, for purposes including, but not limited to: (i) closing breakers to accomplish interconnection, but not synchronization, of the Customer's Generator to the Company Transmission System; (ii) opening breakers to remove the Customer's Generator from service; (iii) operating disconnect and ground switches as required; (iv) in-service relay testing; and (v) battery system testing and maintenance.

13.6 Operating Expenses. Except as otherwise provided pursuant to Section 5.6, and to the extent not superseded by any operating agreement that may be developed between the Parties, each Party shall be responsible for all expenses associated with operating its own property, equipment, facilities, and appurtenances on its side of the Interconnection Points.

13.7 Protection and System Quality. Customer shall, at its expense, install, maintain, and operate System Protection Facilities, including such protective and regulating devices as are identified below, by order, rule or regulation of any duly-constituted regulatory authority having jurisdiction, or by applicable standards such as the National Electrical Safety Code, or as are otherwise necessary to protect personnel and equipment and to minimize deleterious effects to Company's electric service operation arising from the Customer's Generator. Any such protective or regulating devices that may be required on Company's facilities in connection with the operation of the Customer's Generator shall be installed by the Company at the Customer's expense. The Company and the Customer shall coordinate the design, set points, and all operating aspects of each Party's protective and regulating devices that could have an impact on the other Party with each other and, as appropriate, with others' devices in close proximity.

Furthermore, Customer shall bear the continuing obligation to upgrade, at its own expense, the applicable portions of its own protection equipment in cooperation and coordination with the Company when and if conditions on the Company Transmission System require such upgrades. Company shall bear the cost of the corresponding upgrades to protection equipment in the Company Transmission System. In the event that Customer requires upgrades to its protection equipment for any reason, and such requirements impose corresponding protection equipment upgrades on the Company Transmission System that have no benefit to the Company or to other generators in the area, such upgrades shall be at Customer's sole expense. To the extent that Customer demonstrates that such upgrades benefit the Company and/or other generators that the Company interconnects, Customer shall be responsible for the costs of its own upgrades and Company shall be responsible for the corresponding upgrades in the Company Transmission System.

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13.7.1 Requirements for Protection. In compliance with applicable NERC, NPCC, and ISO requirements, Customer shall provide, install, own and maintain relays, circuit breakers, and all other devices necessary to promptly remove any fault contribution of the Customer's Generator to any short circuit or Company Transmission System disturbance occurring on the Company Transmission System not otherwise isolated by Company equipment. Such protective equipment shall include, without limitation, a disconnecting device or switch with load interrupting capability to be located between the Customer's Generator and the Company Transmission System at an accessible, protected, and satisfactory site selected upon mutual agreement of the Parties. Customer shall be solely responsible for protection of the Customer's Generator and Customer's other equipment from all Company Transmission System disturbances and conditions originating from the Customer's equipment, such as, but not limited to generator faults, GSU transformer, station service transformer, negative sequence currents, over- or under-frequency, out of step, sudden load rejection, over- or under-voltage, over-excitation, and generator loss of field. Customer shall be solely responsible for provisions to disconnect the Customer's Generator and Customer's other equipment when any of the disturbances described above occur.

13.7.2 System Quality. Customer's facilities and equipment shall not cause excessive voltage excursions nor cause the voltage to deviate further from the nominal voltage at the Interconnection Point than the voltage maintained by the Company at that point without Customer's generation. Customer's facilities and equipment shall meet the minimum requirements of IEEE 519-1992 for harmonic levels of power and ANSI Standard C84.1-1995 for voltage distortion or any other applicable superseding electric industry standards. The point of common coupling shall be defined as the Customer / Company demarcation point. Customer's facilities and equipment shall not cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves. For voltage flicker in the frequency range of 1 to 25 Hz, voltage flicker levels are unacceptable if either of the following conditions exist: (a) the cumulative RMS voltage flicker at the point of common coupling exceeds 0.30% for 1.0% of a representative time period, or (b) the instantaneous voltage flicker level regularly exceeds 0.45% at the point of common coupling (this is approximately equal to a cumulative RMS voltage flicker of 0.45% for 0.01% of a representative time period).

13.7.3 Inspection. Company shall have the right, but shall have no obligation or responsibility to: (i) observe Customer's tests and/or inspections of any of Customer's protective equipment; (ii) review the settings of Customer's protective equipment; and (iii) review the Customer's maintenance records relative to its protective equipment. The foregoing rights may be exercised by the Company from time to time as deemed necessary by the Company upon reasonable notice to the Customer. However, the exercise or non-exercise by Company of any of the foregoing rights of observation, review, or inspection shall be construed neither as an endorsement or

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confirmation of any aspect, feature, element, or condition of the Customer's Generator or Customer's protective equipment or the operation thereof, nor as a warranty as to the fitness, safety, desirability, or reliability of same.

13.8 Outages, Interruptions, and Disconnections. In accordance with Good Utility Practice, each Party may, in close cooperation with the other, remove from service its facilities that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent the existence or imminence of an Emergency, the Party planning to remove a facility from service will schedule such removal through ISO, in accordance with Good Utility Practice.

13.8.1 Outage Restoration. In the event of an outage of a Party's facility that adversely affects the other Party's facilities, the Party that owns or controls the facility out of service will use commercially reasonable efforts to promptly restore that facility to service in accordance with Good Utility Practice, and, if a planned outage, in accordance with its schedule for the work that necessitated the planned outage.

13.8.2 Interruption. If, at any time, in Company's reasonable judgment exercised in accordance with Good Utility Practice, the continued operation of the Customer's Generator would cause an Emergency, the Company may curtail, interrupt or reduce energy delivered from the Customer's Generator to the Company Transmission System until the condition that would cause the Emergency is corrected. The Company shall give the Customer as much notice as is reasonably practicable of Company's intention to curtail, interrupt, or reduce energy delivery from the Customer's Generator in response to a condition that would cause an Emergency and, where practicable, allow suitable time for the Customer to remove or remedy such condition before any such curtailment, interruption, or reduction commences. In the event of any curtailment, interruption, or reduction, the Company shall promptly confer with the Customer regarding the conditions that gave rise to the curtailment, interruption, or reduction, and, to the extent known, the expected time of restoration. To the extent appropriate to do so, and without incurring any liability whatsoever, the Company shall give the Customer the Company's recommendation, if any, concerning the timely correction of such conditions. The Company shall promptly cease the curtailment, interruption, or reduction of energy delivery when the condition that would cause the Emergency ceases to exist. The Customer shall not be entitled to compensation for any such interruption.

13.8.3 Disconnection.

13.8.3.1 Disconnection after Agreement Terminates. Upon termination of this Agreement, Company may disconnect the Customer's Generator from the Company Transmission System. If termination occurs pursuant to Section 2.1, such disconnection shall be

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in accordance with a plan for disconnection upon which the Parties agree.

13.8.3.2 Disconnection in Event of Emergency. Subject to the provisions of Section 13.8.3.3, Company or Customer shall have the right to disconnect the Customer's Generator without notice if, in the Company's or Customer's sole opinion, an Emergency exists and immediate disconnection is necessary to protect persons or property from damage caused by Customer's interconnection or lack of proper or properly operating protective devices, or Customer's violation of Section 13.7.2 above.

13.8.3.3 Under-frequency Performance. Customer shall comply with all applicable current and future NERC, NPCC and ISO planning and operating criteria which describe the requirements for under-frequency set points and for their coordination.

13.8.4 Continuity of Service. Notwithstanding any other provision of this Agreement, Company shall not be obligated to accept, and Company may require Customer to curtail, interrupt, or reduce, deliveries of energy if such delivery of energy impairs Company's ability to construct, install, repair, replace or remove any of its equipment or any part of its system or if Company determines that curtailment, interruption or reduction is necessary because of Emergencies, forced outages, operating conditions on its system, or any reason otherwise permitted by applicable rules or regulations promulgated by a regulatory agency having jurisdiction over such matters. The Company shall coordinate the timing of such curtailments, interruptions, reductions or deliveries with respect to maintenance, investigation, or inspection of Company's equipment or system with ISO. Customer reserves all rights under the Federal Power Act and other applicable federal and state laws and regulations to commence a complaint proceeding or other action with the FERC or other governmental authority with appropriate jurisdiction over the Parties to enforce the provisions of this Section 13.8.4.

Except in case of Emergency, in order not to interfere unreasonably with the Customer's operations, the Company shall give the Customer reasonable prior notice of any curtailment, interruption or reduction, the reason for its occurrence, and its probable duration.

Section 14. Maintenance

14.1 Company Obligations. The Company shall maintain its facilities and equipment: (i) in a safe and reliable manner; (ii) in accordance with Good Utility Practice; (iii) in accordance with applicable operational and/or reliability criteria, protocols, and directives, including those of NERC, NPCC, and ISO; and (iv) in accordance with the provisions of this Agreement.

14.2 Customer Obligations. The Customer shall maintain its facilities and equipment to the extent they might reasonably be expected to have an impact on the operation of the Company

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Transmission System and Company's other systems: (i) in a safe and reliable manner; (ii) in accordance with Good Utility Practice; (iii) in accordance with applicable operational and/or reliability criteria, standards, protocols, and directives, including those of NERC, NPCC, and ISO; and (iv) in accordance with the provisions of this Agreement.

14.3 Access Rights. The Parties shall provide each other such easements and/or access rights as may be necessary for either Party's performance of their respective maintenance obligations under this Agreement; provided that, notwithstanding anything stated herein, a Party performing maintenance work within the boundaries of the other Party's facilities must abide by the rules applicable to that site. In particular, to the extent that Customer must access facilities it owns within a Company site, it shall do so only with the escort of a Company operator. In no event shall Customer work on any Company equipment.

14.4 Maintenance Expenses. Except as otherwise provided pursuant to Section 5.6, and to the extent not superseded by any operating agreement that may be developed between the Parties, each Party shall be responsible for all expenses associated with maintaining its own property, equipment, facilities, and appurtenances on its side of the Interconnection Points.

14.5 Coordination. The Parties agree to conduct preventive and corrective maintenance activities regularly in accordance with Good Utility Practice, and to schedule such activities with ISO pursuant to its procedures.

14.6 Inspections and Testing. Each Party shall perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Customer's Generator with the Company Transmission System in a safe and reliable manner.

14.7 Right to Observe Testing. Each Party shall, at its own expense, have the right to observe the testing of any of the other Party's facilities and equipment whose performance may reasonably be expected to affect the reliability of the observing Party's facilities and equipment. Each Party shall notify the other Party in advance of its performance of tests of its facilities and equipment, and the other Party may have a representative attend and be present during such testing.

14.8 Cooperation. Each Party agrees to cooperate with the other in the inspection, maintenance, and testing of those Secondary Systems directly affecting the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party will provide advance notice to the other Party before undertaking any work in these areas, especially in electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

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14.9 Observation of Deficiencies. If a Party observes any deficiencies or defects on, or becomes aware of a lack of scheduled maintenance and testing with respect to, the other Party's facilities and equipment that might reasonably be expected to adversely affect the observing Party's facilities and equipment, the observing Party shall provide notice to the other Party that is prompt under the circumstance, and the other Party shall make any corrections required in accordance with Good Utility Practice.

Section 15. Emergencies

15.1 Obligations. Each Party agrees to comply with NERC, NPCC, and ISO emergency procedures and Company and Customer emergency procedures, as applicable, with respect to Emergencies.

15.2 Notice. The Company shall provide the Customer with oral notification that is prompt under the circumstances of an Emergency that may be expected to affect the Customer's operation of the Customer's Generator, to the extent the Company is aware of the Emergency. The Customer shall provide the Company with oral notification that is prompt under the circumstances of an Emergency that may be expected to affect the Company Transmission System, to the extent the Customer is aware of the Emergency. To the extent the Party becoming aware of an Emergency is aware of the facts of the Emergency, such notification shall describe the Emergency, the extent of the damage or deficiency, its anticipated duration, and the corrective action taken and/or to be taken, and shall be followed as soon as practicable with written notice.

15.3 Immediate Action. In the event of an Emergency, the Party becoming aware of the Emergency may, in accordance with Good Utility Practice and using its reasonable judgment, take such action as is reasonable and necessary to prevent, avoid, or mitigate injury, danger, and loss. In the event the Customer has identified an Emergency involving the Company Transmission System, the Customer shall obtain the consent of Company personnel prior to performing any switching operations at the Customer's facilities unless, in the Customer's reasonable judgment, immediate action is required.

15.4 Company Authority. The Company may, consistent with Good Utility Practice, take whatever actions or inactions with regard to the Company Transmission System the Company deems necessary during an Emergency in order to: (i) preserve public health and safety; (ii) preserve the reliability of the Company Transmission System; (iii) limit or prevent damage; and (iv) expedite restoration of service. The Company shall use reasonable efforts to minimize the effect of such actions or inactions on the Customer's Generator.

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15.5 Customer Authority. The Customer may, consistent with Good Utility Practice, take whatever actions or inactions with regard to the Customer's Generator the Customer deems necessary during an Emergency in order to: (i) preserve public health and safety; (ii) preserve the reliability of the Customer's Generator; (iii) limit or prevent damage; and (iv) expedite restoration of service. The Customer shall use reasonable efforts to minimize the effect of such actions or inactions on the Company Transmission System.

15.6 Audit Rights. Each Party shall keep and maintain records of actions taken during an Emergency that may reasonably be expected to impact the other Party's facilities and make such records available for third party independent audit upon the request and at the expense of the Party affected by such action. Any such request for an audit will be made no later than six (6) months following the action taken and the Party shall make such records available for a reasonable period of time after the request to allow the requesting Party to conduct the audit.

15.7 Compensation for real, reactive, or redispatch power in emergencies. Compensation for real power produced in emergencies or in redispatch situations shall be provided in accordance with the Tariff. Reactive power compensation shall be governed by Section II.4.2 of the Tariff and Schedule 2 of the OATT.

Section 16. Safety

16.1 General. The Company and the Customer agree that all work performed by either Party that may reasonably be expected to affect the other Party shall be performed in accordance with Good Utility Practice and all applicable laws, regulations, and other requirements pertaining to the safety of persons or property. A Party performing work within the boundaries of the other Party's facilities must abide by the safety rules applicable to the site.

16.2 Environmental Releases. In addition to complying with applicable reporting regulations, each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances and that Party's plans to remediate the release, of any asbestos or lead abatement activities, or of any type of remediation activities, each of which may reasonably be expected to affect the other Party or which occur on the other Party's property, as soon as possible but not later than twenty-four (24) hours after the Party becomes aware of the occurrence, and shall promptly furnish to the other Party copies of any reports filed with any governmental agencies addressing such events.

Section 17. Future Modifications

Either Party may undertake modifications to its facilities. In the event a Party plans to undertake a modification that reasonably may be expected to impact the other Party's facilities, that Party

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shall provide the other Party with sufficient information regarding such modification so that the other Party can evaluate the potential impact of such modification prior to commencement of the work. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) days in advance of the work or such shorter period upon which the Parties may agree, which agreement will not unreasonably be withheld or delayed. Either Party planning modifications shall comply fully with Section I.3.9 of the Tariff, to the extent applicable.

Upon completion of any modifications the Customer may undertake that may reasonably be expected to affect the Company Transmission System, but not later than ninety (90) days thereafter, Customer shall issue "as built" drawings to Company, unless the Parties reasonably agree that such issuance of drawings is not necessary.

Section 18. Force Majeure

Neither the Company nor the Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement.

Section 19. Default

19.1 General. A breach of this Agreement ("Breach") shall occur upon the failure by a Party to perform or observe any material term or condition of this Agreement. A default of this Agreement ("Default") shall occur upon the failure of a Party in Breach of this Agreement to cure such Breach in accordance with the provisions of Section 19.4.

19.2 Events of Breach. A Breach of this Agreement shall include:

- (a) The failure to pay amounts due and payable under this Agreement, either to the Party to which payment is due, or, if in dispute, to an independent escrow account, within ten (10) days of when due and payable;
- (b) The failure to comply with any material term or condition hereunder, including but not limited to any material Breach of a representation, warranty or covenant made in this Agreement, and such failure is not excused by Force Majeure;
- (c) A Party's making an assignment or general arrangement for the benefit of creditors, filing a petition, or otherwise commencing any proceeding, in

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bankruptcy or under similar law, otherwise becoming bankrupt (however evidenced) or being unable to pay its debts as they fall due.

- (d) Assignment of this Agreement in a manner inconsistent with the terms of this Agreement;
- (e) Failure of either Party to provide such access rights, or a Party's attempt to revoke or terminate such access rights, as provided under this Agreement; or
- (f) Failure of either Party to provide information or data to the other Party required under this Agreement, provided the Party entitled to the information under this Agreement requires such information or data to satisfy its obligations hereunder.

19.3 Continued Operation. In the event of a Breach or Default by either Party, the Parties shall continue to operate and maintain, as applicable, such DC power systems, protection and metering equipment, telemetering equipment, SCADA equipment, transformers, Secondary Systems, communications equipment, building facilities, software, documentation, structural components, and other facilities and appurtenances that are reasonably necessary for the Company to operate and maintain the Company Transmission System, or for the Customer to operate and maintain the Customer's Generator, in a safe and reliable manner.

19.4 Cure and Default. Upon the occurrence of an event of Breach, the Party not in Breach (hereinafter the "Non-Breaching Party"), when it becomes aware of the Breach, shall give written notice of the Breach to the Party that has committed the Breach (the "Breaching Party") and to any other person a Party to this Agreement identifies in writing to the other Party in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach. Upon receiving written notice of the Breach hereunder, the Breaching Party shall have thirty (30) days to cure such Breach. In the event the Breaching Party (a) fails to cure the Breach within such thirty (30) day period, and (b) (except if the Breach is the failure to pay money owed hereunder) fails to demonstrate that it is diligently pursuing such cure if cure cannot be effected within such period; then the Breaching Party will be in Default of the Agreement. In the event of a Breach by Customer, the party or parties providing construction or long-term financing for Customer's Generator and/or for the Interconnection Facilities shall be entitled to exercise any and all rights of Customer to cure such Breach hereunder, but such rights shall not extend the time period for cure hereunder.

19.5 Rights of the non-Defaulting Party. Upon the occurrence of an event of Default, the non-Defaulting Party shall be entitled to (i) commence an action to require the Defaulting Party to remedy such Default and specifically perform its duties and obligations hereunder in accordance with the terms and conditions hereof; (ii) serve notice on the Defaulting Party that it

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is terminating this Agreement as of a specified date, provided however, that such termination shall not relieve either Party of any of its rights, liabilities, and obligations arising hereunder prior to the date termination becomes effective; and/or (iii) exercise such other rights and remedies as it may have in equity or at law. To the extent that the Company is the non-Defaulting Party, and the Company elects to pursue option (ii) of the preceding sentence, Customer may, at its option and provided that its default does not pose a significant threat to Company Transmission System reliability, elect to pay damages in lieu of having this Agreement terminated. If customer declines such election, the Company shall make a timely filing under section 205 of the Federal Power Act, together with a Notice of Cancellation under Part 35 of FERC's regulations, 18 C.F.R. §§35.15 and 131.53 (2000).

Section 20. Notice to Suspend

Customer reserves the right, upon its written notice to Company, to suspend all work by Company associated with the Interconnection Facilities. Company will suspend its work as soon as practicable upon its receipt of such notice, giving full consideration to safety issues, system reliability and Good Utility Practice. Customer will be responsible for payment to Company of one hundred percent (100%) of all costs not otherwise recoverable pursuant to Section 6 that are incurred by Company up to the date of suspension by Customer, plus any additional costs resulting from the suspension. Company shall invoice Customer for all such costs in excess of its payments pursuant to Sections 5.1 and 5.2. If Customer fails to pay such costs within twenty (20) days of Company's invoice, the overdue amount will accumulate interest charges at the rate specified by FERC from such date twenty (20) days following Company's invoice.

Section 21. Notice to Terminate

Prior to completion of the work hereunder, Customer may terminate this Agreement or work on all or certain of the Interconnection Facilities hereunder upon seven days written notice to Company. Customer may also terminate this Agreement by refusing to consent to cost increases of 10% or more, pursuant to Section 5.2. Upon termination by Customer, the Company shall make a timely filing under section 205 of the Federal Power Act, together with a Notice of Cancellation under Part 35 of FERC's regulations, 18 C.F.R. §§35.15 and 131.53 (2000). Company will terminate its relevant work as soon as practicable, giving full consideration to safety issues, system reliability and Good Utility Practice. Notwithstanding any other provision of this Agreement, Customer will be responsible for payment, whether directly or via its LOC, to Company of one hundred percent (100%) of all costs, not otherwise recoverable pursuant to Section 6, that are incurred by Company up to the date of termination by Customer, as well as any additional costs resulting from the termination. Company shall be entitled to interest charges at the rate specified by FERC if any amounts owed to Company are not paid within twenty (20) days of receipt of a final invoice from Company. To the extent that the final

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accounting of Customer's costs and payments reveals that a net refund is owed to Customer, Company shall pay such refund to Customer or notify Customer that it may extinguish its LOC, as applicable, within twenty (20) days of such final accounting.

Notwithstanding the foregoing, applicable provisions of this Agreement shall remain in effect after termination hereof, including, but not limited to, Sections 19, 24 and 25 and provisions necessary to provide for final billings, billing adjustments, and payments.

Customer shall own and take possession of any materials and/or equipment (hereinafter "Materials"), together with any applicable warranties, received by the Company hereunder and fully paid for by Customer, but which are not installed for any reason, provided that the Company shall take any and all steps reasonably requested by Customer to effect the assignment to Customer of Company's rights under any such warranties. Customer shall remove any such Materials from Company's premises within thirty (30) days of the date Company notifies Customer that such Materials would not be installed. If Customer fails to effect such removal within such thirty-day period, Customer shall be deemed to have relinquished all rights to such Materials, and Company shall have the right to dispose of all such Materials in any manner and at its sole discretion. Company shall maintain its insurance coverage of such Materials until the first to occur of Customer's physical removal of the Materials or expiration of such thirty-day period.

Company hereby grants a security interest in any Materials fully paid for by Customer and which are not ultimately installed pursuant to this Agreement. It is Customer's responsibility to perfect such security interest and the Company shall sign any documentation reasonably required for such purpose.

Section 22. Assignment

This Agreement shall inure to the benefit of and bind the respective successors and assigns and successors in title of the Parties hereto. No assignment by any Party of its rights and obligations hereunder shall be made or become effective without the prior written consent of the other Party in each case being obtained, which consent shall not be unreasonably withheld or delayed, except that this Agreement may be assigned without such consent to an affiliate or successor of either Party, or to a person acquiring all or a controlling interest in the business assets of such Party. No assignment or transfer of rights shall relieve the assigning Party from full liability and financial responsibility for performance unless both the assignee or transferee and the other Party have so consented in writing. Upon assignment of this Agreement, the Parties and the assignee of this Agreement shall execute an Assignment and Assumption Agreement.

In addition to the foregoing, Customer shall be entitled in its discretion to assign its interests in

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this Agreement collaterally as security to the party or parties providing construction or long-term financing for Customer's Generator and/or for the Interconnection Facilities without the Company's prior written consent, but Customer shall provide the Company with written notice of such collateral assignment within seven (7) days following such collateral assignment. The Company shall execute any documentation required by such financing parties in connection therewith, so long as such documentation does not diminish Company's rights or increase Company's liabilities under this Agreement.

Section 23. Subcontractors

23.1 General. Nothing in this Agreement shall prevent a Party from utilizing the services of such contractors as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor. Except as may be specifically set forth to the contrary herein, no subcontractor is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

23.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. Each Party shall be fully responsible to the other Party for acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

23.3 No Limitation by Insurance. The obligations under this Section 23 will not be limited in any way by any limitation of subcontractor's insurance.

Section 24. Insurance

During the term of this Agreement, each Party, at its own cost and expense, shall procure and maintain insurance in the forms and amounts at the following minimum levels of coverage:

- (a) Statutory coverage for workers' compensation, and Employer's Liability Coverage with a limit no less than \$1,000,000.00 per accident. Each Party shall also have the ability to self-insure part or all of this exposure, as they deem necessary, and as licensed by the Commonwealth of Massachusetts.
- (b) Comprehensive General Liability Coverage including Operations, Contractual Liability and Broad Form Property Damage Liability written with limits no less than

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- \$1,000,000.00 combined single limit for Bodily Injury Liability and Property Damage Liability. Each Party shall also have the ability to self-insure part or all of this exposure, as they deem necessary.
- (c) Automobile Liability for Bodily Injury and Property Damage to cover all vehicles used in connection with the work with limits no less than \$1,000,000.00 combined single limit for Bodily Injury Liability and Property Damage Liability. Each Party shall also have the ability to self-insure part or all of this exposure, as they deem necessary and as approved by the Commonwealth of Massachusetts.
- (d) Excess Liability with a limit of no less than \$5,000,000.00 coverage excess liability over Employers Liability, Comprehensive General Liability and Automobile Liability.

Each Party waives any and every claim for recovery from the other Party for any and all loss or damage covered by any of the insurance policies to be maintained under this Agreement to the extent that such loss or damage is recovered under any such policy. Inasmuch as the foregoing waiver will preclude the assignment of any such claim to the extent of such recovery, by subrogation (or otherwise), to an insurance company (or other Person), such Party shall give written notice of the terms of such waiver to each insurance company which has issued, or which may issue in the future, any such policy of insurance (if such notice is required by the insurance policy) and shall cause each such insurance policy to be properly endorsed by the issuer thereof to, or to otherwise contain one or more provisions that, prevent the invalidation of the insurance coverage provided thereby by reason of such waiver. This waiver shall also apply to each Party's property policies, including boiler & machinery and physical damage.

Policies shall be purchased from insurance companies with a Best Insurance Reports rating of at least A10 or its equivalent, and either admitted to do business in the Commonwealth of Massachusetts or approved by the National Association of Insurance Commissioners.

In the event of one Party experiencing an incident which may give rise to a claim on or about the sites of the Interconnection Facilities, whether or not directly relating to this Agreement, such Party will send a written report of the incident as soon as practicable to the other Party.

Prior to commencing the work, each Party shall have its insurer furnish to the other Party certificates of insurance evidencing the insurance coverage required above. Every contract of insurance providing the coverages required in this provision shall contain the following or equivalent clause: "No reduction, cancellation or expiration of the policy shall be effective until thirty (30) days from the date written notice thereof is actually received, except for failure to make payment of premium in which event until ten days from the date written notice is actually received." Upon receipt of any notice of reduction, cancellation or expiration, the Party

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Cambridge Electric Light Company
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receiving such notice shall immediately notify the other Party.

Section 25. Indemnification

Each Party (the “Indemnifying Party”) shall at all times indemnify, defend, and save the other Party (the “Indemnified Party”), its officers, directors, agents, employees and affiliates and their respective officers, directors, agents and employees harmless from any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorneys’ fees, and all other obligations by or to third parties, arising out of or resulting from the Indemnified Party’s performance of its obligations under this Agreement on behalf of the Indemnifying Party, except in cases of negligence or intentional wrongdoing by the Indemnified Party.

Section 26. Disputes

Any claim or dispute which either Party may have against the other Party arising out of this Agreement shall be resolved following the procedures provided in Section 6 of the Tariff. Nothing in this Section 26 shall restrict the rights of any Party to file a complaint with FERC under relevant provisions of the Federal Power Act.

Section 27. Confidentiality

Customer may designate certain of the information that it provides to Company in the course of the Parties’ contractual relationship as confidential. To the extent not required to make such information public by FERC rules, or by courts or other regulatory authorities of competent jurisdiction, Company shall not divulge such information to third parties or to persons within the Company who have no need, directly related to the Company’s performance of this Agreement, to know the information. To the extent such information becomes public other than by Company’s disclosure, the Company’s obligation to maintain the confidentiality of the information that became public shall cease.

Notwithstanding anything in this Section to the contrary, if the FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to the FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party may, consistent with 18 C.F.R. § 388.112, request that the information be treated as confidential and non-public by the FERC and its staff, and that the information be withheld from public disclosure. The Party shall notify the other party to the Agreement when it is notified by FERC or its staff that a request for disclosure of, or decision to disclose, confidential information has

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been received, at which time either of the Parties may respond before such information would be made public, pursuant to 18 C.F.R. § 388.112.

Section 28. Regulatory Approvals

The Company shall file this Agreement with FERC as a rate schedule within the meaning of 18 CFR Part 35. The Customer agrees to reasonably cooperate with the Company with respect to such filing and to provide any information, including the rendering of testimony reasonably requested by the Company, needed to comply with applicable regulatory requirements.

Certain obligations of Company under this Agreement are subject to acceptance for filing of this Agreement by FERC; however, as provided in Section 4 above, Company shall commence work under this Agreement immediately upon Notice to Proceed. In the event that FERC does not accept this Agreement for filing, Customer shall be responsible for all expenditures made by Company pursuant to this Agreement through the date of FERC's order, and such additional expenditures that are necessary to close down the work hereunder in an orderly fashion.

On July 22, 1998, NEPOOL filed a Compliance Filing with FERC that proposed, among other things, allocation of PTF costs to new generators. The Parties to this Agreement intend that Customer's responsibility for the costs of the Interconnection Facilities under this Agreement shall be consistent with FERC's approval of and ISO's and the Company's implementation of the Tariff. Company also acknowledges that NEPOOL anticipates implementing a congestion pricing regime under which certain customers may acquire transmission rights by virtue of paying for improvements to the transmission system. Such rights, if any, shall be conveyed pursuant to the Tariff and/or TOA, as applicable, and not pursuant to this Agreement.

Company agrees to file for, and use all reasonable efforts to obtain, any necessary federal, state and local permits and approvals necessary for construction and operation of the Interconnection Facilities.

Section 29. State and Federal Laws

This Agreement and all rights and obligations of the Parties hereunder are subject to all applicable state and federal laws and regulations and all duly promulgated orders and duly authorized actions of governmental authorities. The interpretation and performance of this Agreement shall be subject to and determined in accordance with the laws of the Commonwealth of Massachusetts.

Section 30. Amendments

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This Agreement shall be amended to revise the Interconnection Facilities to be constructed hereunder if and to the extent these facilities are changed by ISO, the Company, by any regulatory body, or by the joint decision of the Parties hereto, or if Customer makes a significant change to the maximum output of the Customer's Generator. Any such amendment shall include an amendment of Schedule 2. Customer shall be solely responsible for all costs related to such revised Interconnection Facilities, except that Section 6 may provide a partial refund of such costs.

In the event that such amendment reduces the scope of the Interconnection Facilities, after Customer has issued its Notice to Proceed and made the payment required pursuant to Section 5.1, Company will refund to Customer that portion of such payment, or will notify Customer that it may adjust its LOC to delete amounts, that will not be needed to fund the revised scope to the extent that costs related to the reduction have not already been incurred by the Company.

In the event of a material change in law or regulation that adversely affects, or may be reasonably expected to adversely affect, either Party's performance under this Agreement, the Parties will negotiate in good faith any amendment or amendments to this Agreement necessary to adapt the terms of this Agreement to such change in law or regulation, and the Company shall file such amendment or amendments with FERC. If the Parties are unable to reach agreement on any such amendments, Company shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to Section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Customer shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to Section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under Sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder. For the purposes of this paragraph, the term "material" or "materially" shall not include any change to a tariff or rate schedule accepted or approved by FERC.

Except as provided in the preceding paragraph, this Agreement may not be modified or amended except in writing signed by or on behalf of the Parties by their duly authorized officers.

Section 31. Complete and Full Agreement

This Agreement constitutes the entire agreement between the Parties relating to the subject matter hereof, and all prior or contemporaneous agreements, offers, negotiations, discussions, communications and correspondence with respect to the subject matter hereof are superseded by the execution of this Agreement.

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Section 32. No Third Party Beneficiaries

This Agreement is for the benefit of the Parties hereto and the Parties, by execution of this Agreement, do not intend to create any rights for the benefit of, or grant any remedies to, any third party. Further, nothing in this Agreement is intended to address congestion rights, as that term may come to be defined by ISO.

Section 33. Limited Purpose

This Agreement lays out the responsibilities of the Parties with respect to constructing the Interconnection Facilities to accommodate the output of the Customer's Generator. In no way is this Agreement intended to create any power purchase obligations on the part of Company. Company's participation in this Agreement does not imply any obligations or representations by Company relating to Customer's project viability in ongoing or future utility solicitations for the purchase of energy or capacity. Wheeling of power to and from the Customer's Generator is covered by the Tariff, and is not covered by this Agreement.

Section 34. Nonwaiver

The failure of either Party to require compliance with any term, condition or provision of this Agreement shall not affect that Party's right to later enforce the same. It is agreed that the waiver by either Party of performance of any of the terms of this Agreement or of any breach thereof shall not be held or deemed to be a waiver by that Party of any subsequent failure to perform the same or any other term or condition of this Agreement or of any breach thereof.

Section 35. No Dedication of Facilities

No undertaking by Company or Customer hereunder shall be deemed to constitute a dedication of its system, or any portion thereof, to the public or to the other Party.

Section 36. Notices

Any notice, bill, demand, or request permitted or required under this Agreement shall be delivered in person against receipt, transmitted by electronic means with appropriate confirmation, or mailed by certified mail, postage prepaid, return receipt requested, or otherwise confirmed receipt to:

To Customer:

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Attn:
Fax:
E-mail:

To Company:
NSTAR Electric & Gas Corporation
One NSTAR Way
Boston, MA 02199
Attn: Lead Transmission Asset Management Liaison
Fax: 781-441-8167
E-mail: philip_legrow@nstaronline.com

A Party may change the name and address of the individual to whom notices are to be given by giving the other Party written notice of such change.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by and through their respective duly authorized representatives as of the day and year first above written.

[NSTAR] COMPANY

[INTERCONNECTING] CUSTOMER

By: _____

By: _____

Title: _____

Title: _____

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Schedule 1: Major Milestone Schedule

Completion Date

Interconnection Project

Schedule is targeted to match the following's Generator Schedule:

Notice to Proceed (NTP)	
Customer's Generator in Service	NTP+___ mo
Units Ready for Full Power Testing	NTP+___ mo
Units in Commercial Operation	NTP+___ mo

NOTE: All dates are mm/dd/yy and represent best efforts based upon Company receiving a Notice to Proceed to purchase equipment and materials on or about _____ based upon latest data received from Customer (but in no case prior to execution of this Agreement). All dates are contingent upon vendors providing equipment according to the lead times estimated at the time project costs and schedules were being developed and on receiving outage permits at the time scheduled. The actual availability for these outages will be based on system operating conditions and requirements at the time outage permits are filed.

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Schedule 2: Estimate of Major Cost Components

Projected Cost

Interconnection Facilities

\$xx,xxx,xxx	Estimated Total Direct Costs of Interconnection Facilities
\$x	Community Relations Costs
\$x	Environmental Permitting and Licensing Costs
\$0	Known Tax Gross-Up (Section 5.3)
\$	Estimated Total Costs of Related Facilities

Notes: 1. Estimate is non-binding and does not reflect other potential costs and charges under the Agreement, including without limitation Tax Gross-up exposure or reimbursements for costs related to pursuit of an IRS ruling or unknown costs arising from construction outages that result in deviations from generator schedules. Estimate does include 5% adder on all equipment purchased direct by Company and on contractor costs (L&M) and a 2.2 multiplier on all Company labor rates for work associated with Company's scope.

2. A "*" indicates that the percentage shown of the line item represents new units of property that are subject to Annual Facilities Charges.

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Schedule 3: Calculation of Annual Facilities Cost

The Annual Facilities Cost shall be calculated for each calendar year and shall equal the sum of (1) Carrying Costs and Associated Income Taxes related to Material and Supplies and Cash Working Capital, (2) Municipal Tax expense, (3) Operation and Maintenance Expense, (4) Station Service Load Expense, and (5) Administrative and General Expense.

(1) Carrying Costs and Associated Income Taxes will be equal to the product of (A) the Materials and Supplies Investment Base times (B) the Cost of Capital Rate.

(A) Materials and Supplies Investment Base

The Investment Base consists of (i) Materials and Supplies plus (ii) Cash Working Capital.

(i) Materials and Supplies shall equal the product of (a) the ratio of the investment in the Interconnection Facilities that Customer supports to the average of Company's total depreciable transmission plant for the year, and (b) of Company's transmission plant materials and supplies for the year, as shown in Account 154.

(ii) Cash Working Capital shall be the product of (a) a 12.5% allowance (45 days/ 360 days) of Transmission Operation and Maintenance Expense and Administrative and General Expense and (b) the ratio of the investment in the Interconnection Facilities that Customer supports to the average of Company's total depreciable transmission plant for the year.

(B) Cost of Capital Rate

The Cost of Capital Rate shall equal (i) the weighted cost of capital, plus (ii) the effect of Federal Income Taxes, plus (iii) the effect of State Income Taxes.

(i) the Weighted Cost of Capital will be calculated based upon Company's capital structure at the end of each year and will equal the sum of:

(a) the Long Term Debt Component, which equals the product of the actual weighted embedded cost to maturity of Long Term Debt then outstanding and the ratio that Long Term Debt is to Total Capital.

(b) the Preferred Stock Component, which equals the product of the actual

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weighted average embedded cost to maturity of Preferred Stock then outstanding and the ratio that Preferred Stock is to Total Capital.

- (c) the Return on Common Equity Component, which equals the product of Company's Return on Common Equity and the ratio that Common Equity is to Total Capital. The Return on Common Equity shall be the current return allowed by FERC.

- (ii) Federal Income Taxes shall equal:

$$\frac{A \times FT}{1 - FT}$$

Where FT is the Federal Income Tax Rate (35% currently) and A is the sum of the Preferred Stock Component and the Return on Common Equity Component, as determined above.

- (iii) State Income Taxes shall equal:

$$\frac{(A + \text{Federal Income Tax}) \times ST}{1 - ST}$$

Where ST is the State Income Tax Rate (currently 6.5%) and A is the sum of the Preferred Stock Component and the Return on Common Equity Component, as determined above.

- (2) Municipal Tax Expense shall equal the product of (a) the ratio of the investment in the Interconnection Facilities that Customer supports to the average for the year of Company's total plant investment in the municipalities in which such facilities are located, and (b) the total Municipal Taxes from such municipalities charged to operations during the year. Municipal Taxes are defined to include and be limited to ad valorem, real and personal property and similar taxes assessed on property by municipalities in which such facilities are located.
- (3) Operation and Maintenance Expense shall equal the product of (a) the expenses charged to FERC Accounts 560 through 573 (excluding Accounts 565 and 567) and (b) the ratio of the investment in the Interconnection Facilities that Customer supports to the average of Company's total depreciable transmission plant for the year.

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- (4) Station Service Load Expense shall be the summation, over all substations at which Interconnection Facilities subject to this expense pursuant to Section 11.3 of this Agreement are located, of the product of (a) the ratio of the number of circuit breakers subject to this expense to the total number of transmission level circuit breakers in service at the substation and (b) the annual cost of station service energy allocated to transmission operations at the substation.
- (5) Administrative and General Expense shall consist of a share of the charges to FERC Accounts 920 through 935 and Account 408 for Federal Unemployment Compensation, Federal Insurance Contribution Act and State Unemployment Insurance. The Interconnection Facilities that Customer supports shall be allocated that fraction of the above FERC Accounts equal to the product of (a) the ratio of such Interconnection Facilities investment to the average of Company's total depreciable transmission investment for the year and (b) the ratio of transmission payroll to Company's total operation and maintenance payroll excluding Customer Accounts and Administrative and General Payroll.

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Schedule 4: Company's Facility Study for Customer's Generator

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Schedule 5: Details of Land Ownership Arrangements

Here provide details of who owns what, with appropriate references; easements and what they're for, who grants what to whom, etc.; and any Section 72 filings required.

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Figure 1: Proposed Customer Generator Interconnection

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